

Registered number: 04005637

**Circadian (CH) Limited**

**Annual report and financial statements**

**for the year ended 31 December 2019**

## **Circadian (CH) Limited**

### **Annual report and financial statements For the year ended 31 December 2019**

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## **Circadian (CH) Limited**

### **Strategic report**

The directors present their Strategic report for the year ended 31 December 2019.

#### **Principal activities and review of business**

The principal activity of the Company is investment holding in Circadian Limited ("Circadian"). Circadian's principal activity is the development of acquired land at Lots Road, London, SW10 as a mixed-use property scheme known as Chelsea Waterfront project. Planning, design and construction work have been undertaken in relation to the development proposals. The Group is defined as the Company and its subsidiaries. The directors are satisfied with the level of business and year-end financial position of the Group.

#### **Results and performance**

During the year, Circadian has turnover of £80,559,021 (2018: £107,876,257) representing income from residential apartments and car park spaces sales and rental income. Profit for the financial year of £17,319,973 (2018: £46,027,040) has been transferred to reserves. The net finance charge for the year includes a finance charge of £3,852,511 (2018: £3,893,898) relating to unsecured discounted bonds issued to a fellow group company and £1,945,295 (2018: £nil) relating to loan from a fellow group company. Circadian's financial position at the year-end has net assets of £48,496,042 (2018: £31,176,069 net assets).

#### **Financing**

As at 31 December 2019 Circadian has unsecured discounted bonds with a total issued price of £nil (2018: £307,596,873), loan from a fellow group company of £343,597,000 (2018: £nil) and cash at bank of £57,027,076 (2018: £21,517,498).

#### **Future developments**

The Group will continue to develop the Chelsea Waterfront project.

#### **Principal risks and uncertainties**

The key business risks and uncertainties affecting the Group are considered to relate to the external economic climate and demands in both commercial and residential property sectors.

In a referendum on 23 June 2016 the British people expressed a desire for the country to resign its membership of the European Union. At this point in time it is difficult to predict the outcome and the opportunities and threats that would result and the Group is managing these by closely monitoring the position and assessing any possible impacts on the going concern of the Group.

#### **Financial risk management**

The Group's activities expose it to a variety of financial risks: credit risk, interest rate risk and liquidity risk. The management manages and monitors the exposures to ensure appropriate measures are implemented on a timely and effective manner.

##### **(i) Credit risk**

The Company has no significant concentrations of credit risk with third parties.

##### **(ii) Interest rate risk**

The Group has no significant interest bearing assets, its income and operating cash flows are substantially independent of changes in market interest rates. Borrowings at market interest rates expose the Group to cash flow interest rate risk.

##### **(iii) Liquidity risk**

The Group manages liquidity risk by ensuring that it can meet its financial obligations as and when they fall due. The Group expects to meet its financial obligations through management of resources and operating cash flows.

## **Circadian (CH) Limited**

### **Strategic report (continued)**

#### **Key performance indicators (KPIs)**

Given the straightforward nature of the business, the Group's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

#### **Section 172(1) statement**

As far as the directors are aware, all legal requirements under section 172 of the Companies Act 2006 have been complied with during the period and up to the date of signing the accounts.

The statement of actions and responsibilities of the Board below has been produced with regard to the matters set out in section 172(1)(a) to (f) of Companies Act 2006, as listed below:

- The likely consequences of any decision in the long term (approving the strategic direction and values);
- The interests of the company's employees, if any;
- The desirability of the company maintaining a reputation for high standards of business conduct;
- The need to foster the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and the environment; and
- The need to act fairly as between members of the company.

The Company is committed to pursuing leading governance practices as appropriate.

#### **Actions and responsibilities of the Board**

The Board is responsible for and makes key decisions on the following areas.

##### **Approving the strategic direction and values, with consideration of the likely consequences in the long term**

The Board is responsible to the shareholders for the strategic direction of the Group in both the short and long term and seeks to balance the best interests of the Group with the objective of enhancing shareholder value.

The long term primary objectives which reflect the strategic value of the Group to develop residential apartments and commercial units of high quality standards. The Board ensure they are aware of how well the Group is performing in these areas through the review of the operations and discussions with senior management during board meetings.

Each year the Board reviews senior management's proposals of performance targets of the Group over the next five years, with reference to the strategic direction of the Group. If appropriate, the Board agrees these targets as the budget for the following financial year (short term objectives).

##### **Interests of the company's employees**

The Group does not have any employees. The operations are managed by employees of related parties.

##### **Maintaining a reputation for high standards of business conduct**

As a company we believe that we are trusted by our stakeholders and have a good reputation for high standards of professionalism within the business we conduct. As part of this, the Board has oversight of and actively monitors the strong control environment managed by senior management to ensure a high standard of business conduct is met and the reputation of the Group is maintained.

##### **Maintaining relationships with key suppliers, customers and others**

The Board is focused on maintaining strong relationships with the Group's suppliers and other key stakeholders to ensure this is to the benefit of all parties. All contracts with suppliers and service providers, as well as transaction documents with counterparties are approved by directors, having first been reviewed by the legal department and other members of the senior management team. Payments to suppliers and service providers are authorised by directors and are made on a timely basis. The directors also review any feedback or requests made by suppliers and other key stakeholders upon receipt.

## **Circadian (CH) Limited**

### **Strategic report (continued)**

#### **Section 172(1) statement (continued)**

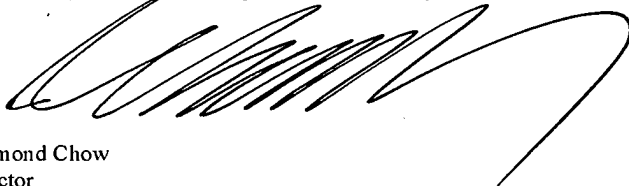
##### **Monitoring the impact of the company: environmental matters and community impact**

Stakeholder engagement is very important to the Group and is encouraged by the Board. Local communities are engaged in consultation and considerations for the operational hours of construction are also made to minimise the disruption as well as the noise impact to the local residents.

##### **Maintenance of the need to act fairly between members of the company**

The Company is a wholly-owned subsidiary company of Sino Summit Global Limited hence only has one member. The fiduciary duties of the Board include the promotion of the Group's success and ensuring the interests of the member are appropriately protected.

Approved by the Board and signed on its behalf by:

A large, stylized handwritten signature in black ink, likely belonging to Raymond Chow, is positioned above the printed name and title.

Raymond Chow  
Director

22 October 2020

## **Circadian (CH) Limited**

### **Directors' report**

The directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2019.

#### **Results and dividends**

The results and financial position of the Company for the year ended 31 December 2019 are set out in the financial statements. No interim dividend was paid during the year (2018: nil) and the directors do not recommend the payment of a final dividend (2018: nil).

Loss for the financial year of £7,881 (2018: £3,016) has been transferred to reserves.

#### **Going concern**

The directors have a reasonable expectation that the Company have adequate resources to continue in operational existence for a period of at least twelve months from the date when the financial statements are authorised for issue. The Company's ultimate holding company and controlling party has agreed to provide adequate funds to enable the Company to meet in full its financial obligations as they fall due for a period of at least twelve months from the date when the financial statements are authorised for issue. Thus they continue to adopt the going concern basis in preparing the annual financial statements. COVID-19 is discussed further in the Subsequent events section below.

#### **Subsequent events**

On 30 January 2020, the World Health Organisation ("WHO") announced COVID-19 to be a global health emergency. On 11 March 2020, WHO announced that COVID-19 was a global pandemic.

The announcement of the global pandemic has been treated as a non-adjusting subsequent event. Given the uncertainty in the UK following the global outbreak of COVID-19, the directors will continue to pro-actively monitor developments to ensure all risks and opportunities for the business are identified as soon as possible. The directors do not currently anticipate material disruption or impact to business arising from COVID-19 and the Company continues to enjoy the support of its shareholders and group companies.

The directors have not identified any other subsequent events that require disclosure up to the signing date of these financial statements.

#### **Directors**

The following held office as directors during the year and up to the date of signing the financial statements:

Hing Lam Kam  
Justin Chiu  
Raymond Chow  
Raymond Tam

None of the directors had any interest in the shares of the Company during the year.

No director beneficially owns any of the ordinary shares or share options of the Company or has had a material interest in contracts of any significance during or at the end of the year.

Directors' and officers' liability insurance and qualifying third party indemnity are provided to the directors of the Company by another company within the CK Asset Holdings group. The CK Asset Holdings group is defined as CK Asset Holdings Limited and its subsidiaries.

#### **Statement of disclosure of information to auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 (1) to (4) of the Companies Act 2006.

## **Circadian (CH) Limited**

### **Directors' report (continued)**

#### **Independent auditor**

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed to the shareholder.

Approved by the Board and signed on its behalf by:

A large, stylized handwritten signature in black ink, likely belonging to Raymond Chow, is positioned above the printed name and title.

Raymond Chow  
Director

22 October 2020

## **Circadian (CH) Limited**

### **Directors' responsibilities statement**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Circadian (CH) Limited**

### **Independent auditor's report to the members of Circadian (CH) Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion the financial statements of Circadian (CH) Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Profit and Loss Account;
- the Balance Sheet;
- the Statement of changes in equity; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

## **Circadian (CH) Limited**

### **Independent auditor's report to the members of Circadian (CH) Limited (continued)**

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Report on other legal and regulatory requirements**

##### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic report and Directors' report.

## **Circadian (CH) Limited**

### **Independent auditor's report to the members of Circadian (CH) Limited (continued)**

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

#### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Philip Doherty*

Philip Doherty, FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom

*26 October* 2020

## Circadian (CH) Limited

### Profit and loss account

For the year ended 31 December 2019

	Notes	2019 £	2018 £
Administrative expenses		(8,828)	(4,983)
<b>Operating loss</b>	4	(8,828)	(4,983)
Interest payable and similar charges		-	-
<b>Loss before taxation</b>		(8,828)	(4,983)
Tax on loss	6	947	1,967
<b>Loss for the financial year and total comprehensive expense</b>		<u>(7,881)</u>	<u>(3,016)</u>

All results are from continuing operations.

There are no recognised gains or losses other than those shown above and consequently no separate statement of total comprehensive income is presented.

The notes on pages 13 to 17 form part of these financial statements.

## Circadian (CH) Limited

### Balance sheet

As at 31 December 2019

	Notes	2019 £	2018 £
<b>Fixed assets</b>			
Investments	7	100	100
<b>Creditors: amounts falling due within one year</b>	8	(15,656,852)	(15,648,971)
<b>Net current liabilities</b>		<u>(15,656,852)</u>	<u>(15,648,971)</u>
<b>Total assets less current liabilities</b>		<u>(15,656,752)</u>	<u>(15,648,871)</u>
<b>Capital and reserves</b>			
Called up share capital	9	100	100
Profit and loss account		<u>(15,656,852)</u>	<u>(15,648,971)</u>
<b>Total shareholder's deficit</b>		<u>(15,656,752)</u>	<u>(15,648,871)</u>

The financial statements of Circadian (CH) Limited (04005637) were approved by the Board of Directors and authorised for issue on 22 October 2020. They were signed on its behalf by:



Raymond Chow  
Director



Raymond Tam  
Director

The notes on pages 13 to 17 form part of these financial statements.

## Circadian (CH) Limited

### Statement of changes in equity

For the year ended 31 December 2019

	Called up share capital £	Profit and loss account £	Total £
<b>Balance as at 1 January 2018</b>	100	(15,645,955)	(15,645,855)
Loss for the year and total comprehensive expense	-	(3,016)	(3,016)
<b>Balance as at 31 December 2018</b>	100	(15,648,971)	(15,648,871)
Loss for the year and total comprehensive expense	-	(7,881)	(7,881)
<b>Balance as at 31 December 2019</b>	100	(15,656,852)	(15,656,752)

The notes on pages 13 to 17 form part of these financial statements.

## Circadian (CH) Limited

### Notes to the financial statements

For the year ended 31 December 2019

#### 1. Accounting policies

The principal accounting policies of the Company, which have been applied consistently during the current and previous years, are as follows:

##### a. General information and basis of accounting

Circadian (CH) Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The Company is a private company limited by shares and is registered in England and Wales. The address of the registered office is Hutchison House, 5 Hester Road, Battersea, London, SW11 4AN, United Kingdom. The nature of the Company's operations and its principal activities are set out in the Directors' report on pages 4 to 5.

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102 issued by the Financial Reporting Council and the Company Act 2006.

The functional currency of the Company is considered to be pounds sterling because this is the currency of the primary economic environment in which the Company operates. The Company has applied the amendments to FRS 102 issued by the FRC in December 2017 with effect from 1 January 2019. The transitional provisions relating to the triennial review amendments have not resulted in any restatements of comparative information by the Company.

The Company meets the definition of a qualifying entity under s9.3C of FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial, for financial instruments, remuneration of key management personnel and cash flow statement. The Company has taken exemption under Companies Act 2006 S.401(1)(b) to present consolidated financial statements. The Company is consolidated in the financial statements of its ultimate parent undertaking and controlling party, CK Asset Holdings Limited and its registered address is disclosed in note 11.

##### b. Going concern

The directors have a reasonable expectation that the Company have adequate resources to continue in operational existence for a period of at least twelve months from the date when the financial statements are authorised for issue. The Company's ultimate holding company and controlling party has agreed to provide adequate funds to enable the Company to meet in full its financial obligations as they fall due for a period of at least twelve months from the date when the financial statements are authorised for issue. Thus they continue to adopt the going concern basis in preparing the annual financial statements. COVID-19 is discussed further in the Subsequent events note (note 12).

##### c. Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### d. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

##### *Non-financial assets*

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

##### e. Investments

Investments in subsidiaries and associates are measured at cost less impairment.

## Circadian (CH) Limited

### Notes to the financial statements (continued)

For the year ended 31 December 2019

#### 1. Accounting policies (continued)

##### f. Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and law that have been enacted or substantively enacted at the balance sheet date.

##### g. Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments for periods that are different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more than likely that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Deferred tax are measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non- discounted basis.

#### 2. Cash flow statement

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12 to not present a cash flow statement.

#### 3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources, for example, accruals. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The directors have not identified any critical accounting judgements or key sources of estimation uncertainty this year.

#### 4. Operating loss

Operating loss is stated after charging the following:

	2019	2018
	£	£
Auditor's remuneration for auditing of the financial statements	3,469	3,384
Auditor's remuneration for non-audit work – Other taxation advisory service	1,766	-

#### 5. Employees and directors' emoluments

No fees or other emoluments were paid to the directors in respect of their services to the Company during the year (2018: nil).

The Company had no employees in both the current and prior year.

## Circadian (CH) Limited

### Notes to the financial statements (continued)

For the year ended 31 December 2019

#### 6. Tax on loss

##### (a) Analysis of tax in the year

	2019 £	2018 £
Current UK corporation tax on loss for the year at 19% (2018: 19%)	-	-
Adjustment in respect of prior years	947	1,967
Tax on loss	<u>947</u>	<u>1,967</u>

##### (b) Factors affecting the credit for the year

The difference between the Company's expected tax credits, using the applicable tax rate, and the Company's taxation for the year was as follows:

	2019 £	2018 £
Loss before taxation	(8,828)	(4,983)
Taxation credit at 19% (2018: 19%)	1,677	947
Effects of:		
Tax losses not recognised	(1,677)	(947)
Adjustment in respect of prior years	947	1,967
Total current tax credit	<u>947</u>	<u>1,967</u>

As at 31 December 2019, the Company has unrecognised tax losses of £8,828 (2018: £4,983) to carry forward against future taxable income. These tax losses have no expiry date. The deferred tax asset has not been recognised on the basis that future profits cannot be determined with appropriate certainty.

The corporation tax rate in the UK remained at 19% for 2019 (2018: 19%). Accordingly, the Company's taxation credit for this financial year has been calculated at an effective rate of 19% (2018: 19%).

Finance Bill 2016 enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020. However, in the March 2020 Budget it was announced that the reduction in the UK rate to 17% will now not occur and the corporation tax rate will be held at 19%.

#### 7. Investments

	2019 £	2018 £
Interest in a subsidiary company		
Unlisted ordinary shares, at cost	<u>100</u>	<u>100</u>

## Circadian (CH) Limited

### Notes to the financial statements (continued)

For the year ended 31 December 2019

#### 7. Investments (continued)

Details of the subsidiary companies are as follows:

Name	Place of Incorporation	Principal activities and place of operation	Percentage of shareholding
Circadian Limited	England and Wales	Property ownership and development in the United Kingdom	100%
Chelsea Waterfront Nominee 1 Limited	England and Wales	Property holding nominee in the United Kingdom	100%
Chelsea Waterfront Nominee 2 Limited	England and Wales	Property holding nominee in the United Kingdom	100%

The subsidiary companies' address of the registered office is Hutchison House, 5 Hester Road, London, SW11 4AN, United Kingdom.

#### 8. Creditors: amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings (note 10)	15,646,979	15,643,025
Accruals and deferred income	9,873	5,946
	<u>15,656,852</u>	<u>15,648,971</u>

The amounts owed to immediate parent, indirect parent and immediate subsidiary group undertakings are unsecured, interest free and repayable on demand.

#### 9. Called up share capital

	2019 £	2018 £
Allotted and fully paid		
100 (2018: 100) ordinary shares of £1	<u>100</u>	<u>100</u>

#### 10. Related party transactions

At the balance sheet date, included in amounts owed to group undertakings are £8,740,980 (2018: £8,737,026) owed to Circadian Limited and £6,905,899 (2018: £6,905,899) owed to Ferrensby Limited and £100 (2018: £100) owed to Sino Summit Global Limited. Circadian Limited, Ferrensby Limited and Sino Summit Global Limited are subsidiaries of CK Asset Holdings Limited.

The Company has taken advantage of the exemption contained in S33.1A of FRS 102 "Related party disclosures" from disclosing related party transactions within the group.

#### 11. Immediate and ultimate parent undertaking

The immediate parent undertaking of the Company is Sino Summit Global Limited, a company incorporated in the British Virgin Islands.

The Company's ultimate parent undertaking and controlling party is CK Asset Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited and incorporated in the Cayman Islands. The address of the registered office is PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands. The group financial statements of CK Asset Holdings Limited, which is both the largest and smallest group into which the financial results of the Company are consolidated, can be obtained from 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.

## **Circadian (CH) Limited**

### **Notes to the financial statements (continued)**

For the year ended 31 December 2019

#### **12. Subsequent events**

On 30 January 2020, WHO announced COVID-19 to be a global health emergency. On 11 March 2020, WHO announced that COVID-19 was a global pandemic.

The announcement of the global pandemic has been treated as a non-adjusting subsequent event. Given the uncertainty in the UK economy following the global outbreak of COVID-19, the directors will continue to pro-actively monitor developments to ensure all risks and opportunities for the business are identified as soon as possible. .