Globe Capital Limited

(Formerly known as Ford Eagle Group Limited)

Annual report
For the year ended 31 December 2013

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Contents

Chairman's statement

I am pleased to report the final audited consolidated results for the twelve months ended 31 December 2013 of Globe Capital Limited ("the Company"). The Company name was changed to Globe Capital Limited on 31 May 2013.

Financial performance

The turnover for the year was £800 (2012 £391,665) and the loss was £141,930 (2012: profit of £122,392). The loss per share was 0.60 pence (2012: earnings per share of 3.33 pence).

At a General Meeting held on 31 May 2013, the shareholders approved resolutions to restructure the Company as an Investment Company. The Company raised £207,000 by way of an Open Offer.

At a General Meeting held on 8 November 2013, the Company raised £199,000 by way of an Open Offer.

Review of operations

The Company continues to seek investment proposals. It is examining a number of medium term opportunities but will not commit its funds unless the investee business is already profitable. The continuing growth of the Chinese consumer market is expected to create potential applicants over the coming months.

Corporate governance

The Company runs both Audit and Remuneration Committees and holds monthly board meetings. It places great emphasis on ensuring a prudent cash position at all times. The Directors believe that because of the low overheads, the Company is not currently at risk of failing as a going concern.

The Company's shares are traded on both the ISDX Growth Market and the GXG Main Quote Market.

Board changes

During the year under review, three directors, Nicholas Littlewood, Jack Law and Stanley Tse, left the Company. I would like to thank them all for their support during a period of significant change.

We have welcomed David Hirst and Daemon Wong. Their experience and local knowledge is proving of great value to the business.

Future prospects

Your directors are seeking longer term growth investment opportunities in order to create shareholder value. There are improvements in the global economic outlook and so we are hopeful that we will be able to report increased progress in the coming months.

Tony Drury
Chairman
17 June 2014

Independent auditor's report
To the members of Globe Capital Limited (Formerly known as Ford Eagle Group Limited)
(Incorporated in the Cayman Islands with limited liability)

We have audited the financial statements of Globe Capital Limited (formerly known as Ford Eagle Group Limited) set out on pages 4 to 25, which comprise the consolidated statement of financial position as at 31 December 2013, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company as at 31 December 2013 and of its loss (profit) and cash flows for the year then ended in accordance with International Financial Reporting Standards.

PKF
Certified Public Accountants
Hong Kong
17 June 2014

Globe Capital Limited (Formerly known as Ford Eagle Group Limited)
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2013

	Note	***2013*** ***GBP***	*2012* *GBP*
Turnover	5	**800**	391,665
Other income	6	**2**	16,758
Gain on disposal of subsidiaries	19	**221,637**	-
Fair value (loss)/gain of financial instruments at fair value through profit or loss		**(142,200)**	104,800
Administrative expenses		**(213,369)**	(375,329)
Finance costs	7	**(8,800)**	(13,613)
(Loss)/profit before income tax	8	**(141,930)**	124,281
Income tax	9	**-**	-
(Loss)/profit for the year		**(141,930)**	124,281
Other comprehensive (expense)/income, net of income tax			
Items that will not be reclassified to profit or loss			
- Release of foreign currency translation reserve upon disposal of foreign operations		**(3,359)**	-
Items may be subsequently reclassified to profit or loss			
- Exchange differences on translating foreign operations		**1,270**	(1,889)
Other comprehensive expense, net of income tax		**(2,089)**	(1,889)
Total comprehensive (loss)/income for the year		**(144,019)**	122,392
		Pence	Pence
Basic and diluted (loss)/earnings per share	10	**(0.60)**	3.33

The notes on pages 8 to 25 form an integral part of these financial statements.

Globe Capital Limited (Formerly known as Ford Eagle Group Limited)
Consolidated statement of financial position
As at 31 December 2013

	Note	***2013 GBP***	*2012 GBP*
Non-current assets			
Property, plant and equipment	11	**50,676**	-
Available-for-sale financial assets	12	**-**	36,331
		50,676	36,331
Current assets			
Financial assets at fair value through profit or loss	13	**-**	424,800
Trade and other receivables	14	**1,625**	3,578
Cash and cash equivalents		**199,148**	80,341
		200,773	508,719
Current liabilities			
Financial liabilities at fair value through profit or loss	13	**-**	106,200
Other payables	15	**22,417**	7,558
Unsecured loan	16	**-**	39,900
		22,417	355,061
Net current assets		**178,356**	391,392
Total assets less current liabilities		**236,232**	427,723
Non-current liabilities			
Unsecured loan	16	**-**	79,800
Loans from related parties	17	**-**	344,908
		-	424,708
Net assets/(liabilities)		**229,032**	(33,316)
Capital and reserves			
Share capital	21	**626,966**	414,660
Share premium and reserves		**(397,934)**	(447,976)
Shareholders' funds/(capital deficiency)		**229,032**	(33,316)

Approved and authorised for issue by the Board of Directors on 17 June 2014

....	....
Anthony Charles Drury	Wong Xinyan
Non-executive chairman	Executive Director

The notes on pages 8 to 25 form an integral part of these financial statements.

Globe Capital Limited (Formerly known as Ford Eagle Group Limited)
Consolidated statement of changes in equity
For the year ended 31 December 2013

	Share capital GBP	***Share premium GBP***	***Accumulated losses GBP***	***Foreign currency translation GBP***	***Total GBP***
As at 1 January 2011	320,550	147,393	(768,794)	3,978	(296,873)
Issue of shares	94,110	47,055	-	-	141,165
Comprehensive income					
Profit for the year	-	-	124,281	-	124,281
Other comprehensive expense					
Exchange differences on translating foreign operations	-	-	-	(1,889)	(1,889)
Total comprehensive income for the year	-	-	124,281	(1,889)	122,392
As at 31 December 2012	414,660	194,448	(644,513)	2,089	(33,316)
Issue of shares	212,306	194,061	-	-	406,367
Comprehensive income					
Loss for the year	-	-	(141,930)	-	(141,930)
Other comprehensive income/(expense)					
Exchange differences on translating foreign operations	-	-	-	1,270	1,270
Release of foreign currency translation reserve upon disposal of foreign operations	-	-	-	(3,359)	(3,359)
Total comprehensive loss for the year	-	-	(141,930)	(2,089)	(144,019)
As at 31 December 2013	626,966	388,509	(786,443)	-	229,032

The notes on pages 8 to 25 form an integral part of these financial statements.

Globe Capital Limited (Formerly known as Ford Eagle Group Limited)
Consolidated statement of cash flows
For the year ended 31 December 2013

	Note	***2013 GBP***	*2012 GBP*
Cash flows from operating activities			
(Loss)/profit before income tax		**(141,930)**	124,281
Adjustments for :-			
Bank interest income		**(2)**	(33)
Gain on disposal of subsidiaries		**(221,637)**	-
Depreciation		**12,200**	-
Loss on disposal of property, plant and equipment		**-**	18,757
Impairment of available-for-sale financial assets		**-**	47,834
Service income received in form of financial assets		**-**	(320,000)
Provision of staff costs recorded as financial liabilities		**-**	106,200
Fair value loss/(gain) of financial instruments at fair value through profit or loss		**142,200**	(104,800)
Waiver of accrued charges recorded as sundry income		**-**	(16,200)
Staff costs satisfied by issue of shares		**-**	42,000
Interest on unsecured loans		**8,800**	12,502
Operating loss before working capital changes		**(200,369)**	(89,459)
Changes in working capital :-			
Trade and other receivables		**(1,694)**	1,104
Other payables		**44,441**	(20,438)
Accrued charges satisfied by issue of shares		**-**	15,000
Net cash used in operating activities		**(157,622)**	(93,793)
Cash flows from investing activities			
Disposal of subsidiaries	19	**(93,302)**	
Bank interest received		**2**	33
Payment for purchase of property, plant and equipment		**(62,876)**	-
Net cash (used in)/generated from investing activities		**(156,176)**	33
Cash flows from financing activities			
Proceeds from issuance of shares		**406,367**	-
Proceeds from unsecured loans		**80,300**	-
(Repayment of)/proceed from loans from related parties		**(46,562)**	39,465
Advance from other payables		**-**	138,852
Repayment of other payables		**-**	(19,152)
Interest paid		**(8,800)**	(12,502)
Net cash generated from financing activities		**431,305**	146,663
Net increase in cash and cash equivalents		**117,507**	52,903
Cash and cash equivalents at beginning of the year		**80,341**	29,259
Effect of foreign exchange rates, net		**1,300**	(1,821)
Cash and cash equivalents at end of the year		**199,148**	80,341

The notes on pages 8 to 25 form an integral part of these financial statements.

1. General information

Globe Capital Limited (the "Company") is an exempted company limited by shares and incorporated in the Cayman Islands on 18 September 2009. The address of the Company's registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is quoted on the ICAP Securities and Derivative Exchange ("ISDX") in the United Kingdom and is also admitted to trading on the GXG European Stock Exchange on 4 July 2012.

Pursuant to a special resolution passed by the Company's shareholders on 31 May 2013, the Company changed its name to Globe Capital Limited.

The Company is an investing company and had no subsidiary as at 31 December 2013.

These financial statements are presented in Pound Sterling. The primary economic environment in which the Company operates is in Hong Kong and its functional currency is Hong Kong dollar.

2. Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the International Accounting Standards Board (hereinafter collectively referred to as "International Financial Reporting Standards").

(b) Initial application of International Financial Reporting Standards

In the current year, the Company initially applied the International Financial Reporting Standards that are first effective for the current accounting period. Of these, the following developments are relevant to the Company's financial statements :-

Amendments to IAS 1, Presentation of Items of Other Comprehensive Income

The amendment requires entities to present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The presentation of other comprehensive income in the consolidated statement of profit or loss and other comprehensive income in these financial statements has been modified accordingly. In addition, the Company has chosen to use the new title "statement of profit or loss and other comprehensive income" as introduced by the amendments in these financial statements.

IFRS 10, Consolidated Financial Statements

IFRS 10 modifies the concept of "control" substantially. The Company's adoption of this new concept of control does not result in a change in the classification of investments in subsidiaries and other entities.

2. Basis of preparation (cont'd)

(b) Initial application of International Financial Reporting Standards (cont'd)

IFRS 13, Fair Value Measurement

IFRS 13 introduces a number of new concepts and principles regarding fair value measurement. The Company's adoption of these new concepts and principles does not result in a change in the fair value measurements of its assets and liabilities.

The initial application of the International Financial Reporting Standards that are first effective for the current accounting period have no significant impact in the current period financial information and did not necessitate retrospective adjustments of the comparatives presented in the financial statements.

(c) International Financial Reporting Standards in issue but not yet effective

The Company has not applied the new and revised International Financial Reporting Standards that have been issued but are not yet effective. These include the following which may be relevant to the Company.

IFRS 9	Financial Instruments [1]
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities [2]
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting [2]

[1] No mandatory effective date
[2] Effective for accounting periods beginning on or after 1 January 2014

The Company is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on its financial statements.

3. Critical accounting estimates and judgements

Estimates and judgements are evaluated and are based on these financial statements and previous experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. However, there are no estimates or assumptions used on these consolidated financial statements that the directors expect will have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Significant accounting policies

(a) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments at fair value through profit or loss.

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statement of the Company and entities controlled by the Company (its subsidiaries and subsidiary undertakings). Subsidiaries are all entities over which the Company has control. Control is achieved when the Company : (i) has power over the investee; (ii) is exposed, or has rights, to variable returns from its involvement with the investee; and (iii) has the ability to use its power to affect its returns.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

(c) Segment reporting

A business segment is group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

The Directors are of the opinion that the Company was engaged in a single segment of business being provision of advisory services in one geographical area being the People's Republic of China (including Hong Kong) during the year. Accordingly, no segmental analysis is considered necessary.

(d) Revenue

Revenue is measured at the fair value of the consideration received and receivable.

(i) Revenue from provision of services relating to :-

- One-off corporate and advisory services is recognised after the services have been rendered; and

- Fixed monthly income in relation to coordinating initial public offering projects is recognised on a monthly basis in accordance with the terms of the contracts and that the portion of fee income conditional upon successful completion of the initial public offering transaction will be recognised when the transaction has been successfully completed; and

4. Significant accounting policies (cont'd)

(d) Revenue (cont'd)

(ii) Interest income

Interest income is recognised on a time apportioned basis using the effective interest method.

(e) Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences : the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly ventures to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the end of the reporting period.

(f) Foreign currency transactions

Individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

Transactions in currencies other than the functional currency are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

4. Significant accounting policies (cont'd)

(f) Foreign currency transactions (cont'd)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the foreign operations are expressed in Pound Sterling using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and recognised in the foreign currency translation reserve. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

(g) Property, plant and equipment

Property, plant and equipment are stated at cost less aggregate depreciation and impairment losses, if any. Depreciation is provided in order to write off each asset over its estimated useful life on a straight-line basis using the following annual rates :-

Leasehold improvements	Over the terms of the lease
Furniture, fixtures and equipment	10%

The assets' residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognising the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year the item is derecognised.

(h) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of a financial instrument. Financial assets and financial liabilities are offset if there is a legally enforceable right to set off the recognised amounts and interests and it is intended to settle on a net basis.

(i) Financial assets

The Company classifies its financial assets as either financial assets at fair value through profit and loss, available-for-sale financial assets or loans and receivables. The classification is dependent on the purpose for which the financial assets are acquired and is determined by the directors on initial recognition.

4. Significant accounting policies (cont'd)

(h) Financial instruments (cont'd)

(i) Financial assets (cont'd)

Financial assets at fair value through profit or loss are financial assets which are held for trading. A financial asset is classified as this category if it is acquired principally for the purpose of selling in the short term. Derivatives are also classified as held for trading unless they are designated as effective hedges. Such assets are classified as current assets. Financial assets at fair value through profit or loss are shown at fair value at the end of each reporting period with changes in fair value being recognised in profit or loss.

Available-for-sale financial assets consist of equity investments in other companies where the Company does not exercise either control or significant influence. Available-for-sale financial assets are shown at fair value at the end of each reporting period with changes in fair value being recognised in other comprehensive income. Where financial assets are quoted, the fair value at the end of each reporting period is based on the quoted bid price at that date. Where an available-for-sale financial asset consists of an equity investment in an unquoted entity where a reliable fair value cannot be determined, such investments are shown at cost less impairment.

Loan and receivables are items that have fixed or determinable payments and are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(ii) Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangement entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Financial liabilities and equity instruments are recorded at the proceeds received, net of issue costs.

(i) Impairment of non-financial assets

At the end of each reporting period, the Company determines whether there is any indication of impairment of assets. If there is any indication of impairment, the recoverable amount of the relevant asset or group of assets is estimated and compared with the carrying amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). If the recoverable amount of an asset or a group of assets is less than its carrying amount, the carrying amount of the asset or group of assets is reduced to the recoverable amount. Impairment losses are recognised as an expense in profit or loss.

4. Significant accounting policies (cont'd)

(j) Provisions

Provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, and the obligation can be reliably measured. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(k) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(l) Cash equivalents

Cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(m) Employee benefits

Short term employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the period in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Defined contribution plans

The obligations for contributions to defined contribution retirement plans are recognised as expenses in profit or loss as incurred. The assets of the plans are held separately from those of the Company in certain independently administered funds.

(n) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

4. Significant accounting policies (cont'd)

(n) Share-based payments (cont'd)

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity-settled benefits reserve.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

(o) Related parties

A person or a close member of that person's family is related to the Company if that person (i) has control or joint control over the Company; (ii) has significant influence over the Company; or (iii) is a member of the key management personnel of the Company or of a parent of the Company.

An entity is related to the Company if (i) the entity and the Company are members of the same group of companies; (ii) the entity is an associate or a joint venture of either the Company or a member of a group of which the Company is a member; (iii) the Company is an associate or a joint venture of either the entity or a member of a group of which the entity is a member; (iv) the entity and the Company are joint ventures of the same third party; (v) the entity is a joint venture of a third entity and the Company is an associate of that third entity; (vi) the Company is a joint venture of a third entity and the entity is an associate of that third entity; (vii) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company; (viii) the entity is controlled or jointly controlled by a person related to the Company or a close member of that person's family; (ix) a person who has control or joint control over the Company has significant influence over the entity; or (x) a person who has control or joint control over the Company is a member of the key management personnel of the entity (or of a parent of the entity).

5. Turnover

Turnover represents amount received and receivable for services rendered to customers. The category of revenue recognised in turnover during the year are as follows :-

	2013	*2012*
	GBP	*GBP*
Fixed monthly income	**849**	10,976
Conditional fee income upon successful completion of initial public offering project	**-**	356,990
One off corporate and advisory services	**-**	23,699
	849	391,665

6. Other income

	2013	*2012*
	GBP	*GBP*
Bank interest income	***2***	33
Exchange gain	**-**	525
Other income	**-**	16,200
	2	16,758

7. Finance costs

	2013	*2012*
	GBP	*GBP*
Bank charges	**-**	1,111
Interest on unsecured loans	**8,800**	12,502
	8,800	13,613

8. (Loss)/profit before income tax

	2013	*2012*
	GBP	*GBP*
(Loss)/profit before income tax is stated after charging		
Auditor's remuneration	**7,200**	7,158
Depreciation	**12,200**	-
Loss on disposal of property, plant and equipment	**-**	18,757
Staff costs (including directors' remuneration)		
- Mandatory provident fund contributions	**1,152**	976
- Salaries, allowances and others	**44,845**	113,102
- Provision for performance bonus - note 15(b)	**-**	106,200
	45,997	220,278
Minimum lease payments for office premises	**-**	3,109

9. Income tax

(a) No provision for income tax has been made in these financial statements as the Company has no estimated taxable profit.

Income tax is reconciled to (loss)/profit before income tax as follows :-

	2013 GBP	*2012 GBP*
(Loss)/profit before income tax	**(141,930)**	124,281
Hong Kong profits tax rate	**16.5%**	16.5%
(Loss)/profit before income tax at applicable tax rates	**(23,418)**	20,506
Tax effect of expenses not deductible	**27,608**	7,312
Tax effect of income not taxable	**(26,868)**	(25,153)
Tax effect of other temporary difference	**-**	(45)
Tax effect of unrecognised tax losses	**22,678**	(2,620)
Income tax		-

(b) The Company had no significant temporary differences at the end of the reporting period.

10. (Loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing (loss)/profit for the year attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

	2013	*2012*
(Loss)/profit attributable to shareholders (in GBP)	**(141,930)**	124,281
Weighted average number of ordinary shares in issue	**23,720,824**	3,730,677
Basic and diluted (loss)/earnings per share (in pence)	**(0.60)**	3.33

11. Property, plant and equipment

	Leasehold improvements GBP	***Furniture, fixtures and and equipment GBP***	***Total GBP***
Cost :-			
At 1.1.2012	-	44,000	44,000
Disposals	-	(43,052)	(43,052)
Exchange realignment	-	(948)	(948)
At 31.12.2012	-	-	-
Additions	62,876		62,876
At 31.12.2013	**62,876**		**62,876**
Aggregate depreciation :-			
At 1.1.2012	-	25,175	25,175
Written back on disposals	-	(24,295)	(24,295)
Exchange realignment	-	(880)	(880)
At 31.12.2012	-	-	-
Charge for the year	12,200	-	12,200
At 31.12.2013	**50,676**	**-**	**12,200**
Net book value :-			
At 31.12.2013	**50,676**	**-**	**50,676**
At 31.12.2012	**-**	**-**	**-**

12. Available-for-sale financial assets

	2013 GBP	*2012 GBP*
Unlisted equity, at cost	**-**	36,331

Available-for-sale financial assets at 31 December 2012 represented 10% equity interest in Winning Step Investment Limited, a company incorporated in the British Virgin Islands.

The investment was held by Ford Eagle Capital Limited (“FEC”), a former subsidiary which was disposed of during the year.

13. Financial instruments at fair value through profit or loss

	2013 GBP	*2012 GBP*
Financial assets at fair value through profit or loss		
Listed equity, at fair value	**-**	424,800
Financial liabilities at fair value through profit or loss		(106,200)
	-	318,600

In July 2012, FEC (a former subsidiary) was granted 4,000,000 ordinary shares of 1 pence each of LZYE Group Plc. ("LZYE") as agreed settlement to services rendered to LZYE for its subsequent successful listing on an United Kingdom Stock Exchange in August 2012. The service fee was measured at fair value based on the placement price of 8 pence per share immediately before the listing of LZYE.

On 28 December 2012, it was resolved by the Board of Directors that 1,000,000 ordinary shares of LZYE was to be granted to the management team as performance bonus in recognition of their services for this IPO project. The allocation of these shares among the management team was yet to be determined at the date of approval of the Company's 2012 consolidated financial statements. Financial liabilities regarding the performance bonus of GBP106,200 was recorded with a corresponding amount of staff costs recognised in profit or loss. The amount was calculated with reference to LZYE's closing price of 10.62 pence on 28 December 2012.

The financial assets and financial liabilities were derecognised upon the disposal of FEC during the year.

14. Trade and other receivables

	2013 GBP	*2012 GBP*
Trade receivables	**-**	2,873
Rental deposits paid	**-**	705
Prepayments	**1,625**	-
	1,625	3,578

The trade debts at 31 December 2012 were due on presentation of invoices to customers and had been past due for less than one year. Management believed that no impairment allowance was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable. The Company did not hold any collateral over these balances.

15. Other payables

	2013 GBP	*2012 GBP*
Accruals	**22,417**	7,038
Other payables	**-**	520
	22,417	7,558

16. Unsecured loans

	2013 GBP	*2012 GBP*
Repayable within one year (Note 16(a))	**-**	39,900
Repayable after one year (Noted 16(b))	**-**	79,800
	-	119,700

Notes :-

(a) The loan was unsecured and interest-bearing at the rate of 2% per month. The loan was due for repayment on 31 December 2013.

(b) The loan was unsecured and interest-bearing at the rate of 12% per annum. The loan was due for repayment on 1 January 2014.

17. Loans from related parties

	2013 GBP	*2012 GBP*
Wing Tak Jack Law (A former director who resigned on 31 May 2013)	**-**	144,612
Chongju Guo (A shareholder)	**-**	200,296
	-	344,908

The loans were interest-free, unsecured and not repayable for at least the next twelve months from 31 December 2012.

18. Share capital and capital management

(a) Share capital

Authorised :-	***2013 GBP***	*2012 GBP*
93,804,979,600 (2012 : 100,000,000) Ordinary Shares of 0.01 (2012 : 10) pence each	**9,380,498**	10,000,000
4,146,600 (2012 : Nil) Class A Non-Voting Shares of 9 pence each	**373,194**	-
24,879,600 (2012 : Nil) Class B Non-Voting Shares of 0.99 pence each	**246,308**	-
	10,000,000	10,000,000

18. Share capital and capital management (cont'd)

(a) Share capital (cont'd)

Issued and fully paid :-	***2013 GBP***	*2012 GBP*
74,638,800 (2012 : 4,146,600) Ordinary Shares of 0.01 (2012 : 10) pence each	**7,464**	414,660
4,146,600 (2012 : Nil) Class A Non-Voting Shares of 9 pence each	**373,194**	-
24,879,600 (2012 : Nil) Class B Non-Voting Shares of 0.99 pence each	**246,308**	-
	626,966	414,660

2013

The Company had two capital restructurings during the year ended 31 December 2013.

First capital restructuring

On 31 May 2013, it was resolved in the Company's general meeting that the Company's entire issued share capital of GBP414,660 be converted into stock of GBP414,660, immediately following which the stock would be converted into 4,146,600 new Ordinary Shares with nominal value of 1 pence each and 4,146,600 Class A Non-Voting Shares with nominal value of 9 pence each. The Company's authorised capital was divided into 962,680,600 Ordinary Shares of 1 pence each and 4,146,600 Class A Non-Voting shares of 9 pence each.

The new Ordinary Shares of 1 pence nominal value each continue to carry the same rights as attached to the old Ordinary Shares of 10 pence each. The Class A Non-Voting Shares will not be admitted to trading on ISDX (or any other stock exchange) and have no right to receive notice of, attend or vote at general meetings or to receive any dividends or other distributions, save for the return of nominal value in the event of a winding up of the Company.

On the same day, an Open Offer was closed. An amount of GBP207,330 was raised through the issue of up to 20,733,000 Ordinary Shares at an Open Offer Price of 1 pence per Ordinary Share. After the Open Offer, the Company's issued share capital comprised of 24,879,600 Ordinary Shares of 1 pence each and 4,146,600 Class A Non-Voting Shares of 9 pence each.

18. Share capital and capital management (cont'd)

(a) Share capital (cont'd)

Second capital restructuring

On 8 November 2013, it was resolved in the Company's general meeting that each of the authorised and issued Ordinary Shares of nominal value 1 pence each in the capital of the Company be converted into stock of GBP0.01 and such stock be immediately reconverted into one Ordinary Share of nominal value 0.01 pence each and one Class B Non-Voting Shares of nominal value 0.99 pence each, following which the authorised capital of the Company was GBP10,000,000 divided into 93,804,979,600 Ordinary Shares of nominal value 0.01 pence each of which 24,879,600 Ordinary Shares were in issue, 4,146,600 Class A Non-Voting Shares of nominal value 9 pence each of which all were in issue, and 24,879,600 Class B Non-Voting Shares of nominal value 0.99 pence each of which all are in issue.

The new Ordinary Shares of 0.01 pence nominal value each continue to carry the same rights as attached to the old Ordinary Shares of 1 pence each. The Class B Non-Voting Shares will not be admitted to trading on ISDX or GXG Main Quote (or any other stock exchange) and have no right to receive notice of, attend or vote at general meetings or to receive any dividends or other distributions, save for the return of nominal value in the event of a winding up of the Company.

On the same day, an Open Offer was closed. An amount of GBP199,037 was raised through the issue of up to 49,759,200 ordinary shares at an Open Offer Price of 0.4 pence per Ordinary Share. After the Open Offer, the Company's issued share capital comprised of 74,638,800 Ordinary Shares of 0.01 pence each, 4,146,600 Class A Non-Voting shares of 9 pence each and 24,879,600 Class B Non-Voting shares of 0.99 pence each.

2012

On 19 April 2012, 23 April 2012 and 28 May 2012, the Company issued 80,000, 561,000 and 100 Ordinary Shares of 10 pence each respectively at 15 pence per share in exchange for 10% interest in a company incorporated in Hong Kong.

On 24 September 2012, the Company issued 300,000 Ordinary Shares of 10 pence each at 15 pence per share. Out of the 300,000 Ordinary Shares, 100,000 Ordinary Shares each were allotted to Anthony Charles Drury and Garry Alides Willinge as settlement of performance bonus of GBP15,000 granted to each director in respect of their services rendered to the Company for the year ended 31 December 2012. The remaining 100,000 ordinary shares were allotted to a creditor for settlement of trade payable.

(b) Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors manage the Company's affairs to achieve shareholder returns through capital growth and income.

The Company is not subject to any externally imposed capital requirements.

19. Disposal of subsidiaries

On 31 May 2013, the Company disposed of its subsidiaries, FEC and Ford Eagle Investment Consulting (Shenzhen) Limited, to a former director, Wing Tak Jack Law, at a consideration of GBP1.

(a) Consideration received

	2013 ***GBP***
Considerations received in cash and cash equivalents	**1**

(b) Analysis of assets and liabilities over which control was lost

	2013 ***GBP***
Non-current assets	
Available-for-sale financial assets	**36,331**
Current assets	
Financial assets at fair value through profit or loss	**235,200**
Other receivables	**3,647**
Cash and cash equivalents	**93,303**
Current liabilities	
Financial liabilities at fair value through profit or loss	**(58,800)**
Other payables	**(29,612)**
Unsecured loan	**(40,000)**
Non-current liabilities	
Unsecured loan	**(160,000)**
Loans from related parties	**(298,346)**
Net liabilities disposed of	**(218,277)**

(c) Gain on disposal of subsidiaries

	2013 ***GBP***
Consideration received	**1**
Net liabilities disposed of	**218,277**
Release of foreign currency translation reserve	**3,359**
Gain on disposal	**221,637**

(d) Net cash outflow on disposal of subsidiaries

	2013 ***GBP***
Consideration received in cash and cash equivalents	**1**
Less: cash and cash equivalents balances disposed of	**(93,303)**
Net cash outflow	**(93,302)**

20. Related party transactions

(a) Remuneration for key management personnel of the Company

	2013	*2012*
	GBP	*GBP*
Salaries and other benefits	**44,845**	84,200
Share-based payments	**-**	30,000
Contributions to defined retirement benefits scheme	**1,152**	-
	45,997	114,200

(b) Apart from the information disclosed elsewhere in the financial statements, the Company had no other material transactions with its related parties during the year.

21. Warrants

Under the Deed of Warrant Grant dated 16 June 2010, the Company had issued 150,000 warrants which are exercisable at 21 pence per share up to 1 August 2015 to Axiom Nominees Limited, the nominee of Axiom Capital Limited, the then corporate financial advisor of the Company for the application of admission to ISDX.

22. Financial risk management

The Company's activities expose it to a variety of financial risks : credit risk and liquidity risk. Risk management is carried out by the Company's Board of Directors.

(a) Credit risk

The Company's credit risk is primarily attributable to cash balances held with financial institutions. Management has a credit policy in place and the exposure to credit risk is limited since cash balances are held with high-credit-quality financial institutions.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company aims to maintain flexibility in funding.

The following table details the remaining contractual maturities at the end of the reporting period of the Company's financial liabilities which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates) and the earliest date the Company can be required to pay :-

22. Financial risk management (cont'd)

(c) Liquidity risk (cont'd)

	2013				*2012*			
	Carrying amount GBP	***Total contractual undiscounted cash flows GBP***	***Within 1 year or on demand GBP***	***Over 1 year GBP***	*Carrying amount GBP*	*Total contractual undiscounted cash flows GBP*	*Within 1 year or on demand GBP*	*Over 1 year GBP*
Financial liabilities at fair value through profit or loss	-	-	-	-	106,200	(106,200)	(106,200)	-
Other payables	22,417	22,417	22,417	-	7,558	(7,558)	(7,558)	-
Unsecured loans	-	-	-	-	119,700	(138,852)	(58,254)	(80,598)
Loans from related parties	-	-	-	-	344,908	(344,908)	-	(344,908)
	22,417	22,417	22,417	-	578,366	(597,518)	(170,012)	(425,639)

(d) Fair values

For financial instruments carried at fair value, IFRS 13, Fair Value Measurement, requires disclosures relating to fair value measurements of financial instruments across three levels of a "fair value hierarchy". The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation techniques detailed as follows :-

- Level 1 (Quoted market price) : financial instruments with quoted prices (unadjusted) for identical instruments in active markets that the Company can assess at the measurement date.

- Level 2 (Valuation techniques using observable inputs) : financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

- Level 3 (Valuation technique with significant unobservable inputs) : financial instruments valued using models where one or more significant inputs are unobservable.

At 31 December 2013, the Company had no financial instruments carried at fair value. The Company's financial instruments carried at fair value as at 31 December 2012 included financial assets and financial liabilities at fair value through profit or loss of GBP424,800 and GBP106,200, respectively, which were based on Level 1 of the fair value hierarchy.

During the years ended 31 December 2013 and 2012, there was no significant transfer between financial instruments in Level 1 and Level 2 of the fair value hierarchy.

The carrying values of other financial assets and financial liabilities carried at amortised cost approximate their fair values.