

Globe Capital Limited

Annual report
For the year ended 31 December 2015

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**Globe Capital Limited
Chairman's statement
For the year ended 31 December 2015**

Chairman's Statement

I am pleased to report the final audited results for the year ended 31 December 2015 of Globe Capital Limited ("the Company").

Financial performance

The turnover for the year was nil (2014: nil) and the loss was £129,184 (2014: £149,111). The loss per share was 0.17 pence (2014: 0.20 pence). In the past year, the Directors have kept operational costs at a minimum.

Review of operations

2015 was a transitional year for the Company. The Company has now realigned its investment focus towards the retail sector with a particular emphasis on menswear. The recent investment in Sterling Craig Ltd is the first stage in the Company's future plans.

The Company's shares are traded on the ISDX Growth Market.

Board changes

During the year under review, David Adamson Hirst left the Company. In January 2016, Wong Xinyan left the Company. I would like to thank them both all for their past services to the Company.

Future prospects

After the year end, in January 2016, the Company raised £100,500 in new equity. The Directors are presently reviewing a number of investment opportunities while speaking to new investors. I hope to be able to give further news of these developments in the near future.

**David Barnett
Chairman**

**Independent auditor's report
To the members of Globe Capital Limited
(Incorporated in the Cayman Islands with limited liability)**

We have audited the financial statements of Globe Capital Limited (the "Company") set out on pages 3 to 16, which comprise the statement of financial position as at 31 December 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Auditor's responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 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 financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 2(d) to the financial statements which indicate that the Company incurred a net loss of GBP129,184 for the year ended 31 December 2015 and as of that date, the Company had net current liabilities and net liabilities of GBP54,894 and GBP49,263 respectively. These conditions, along with other matters as set forth in note 2(d) to the financial statements, indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

PKF
Certified Public Accountants
Hong Kong

Globe Capital Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2015

	<i>Note</i>	2015 GBP	2014 GBP
Revenue	5	-	-
Other income	5	2	9
Administrative expenses		<u>(129,186)</u>	<u>(149,120)</u>
Loss before income tax	6	(129,184)	(149,111)
Income tax	7	<u>-</u>	<u>-</u>
Loss and other comprehensive loss for the year		<u><u>(129,184)</u></u>	<u><u>(149,111)</u></u>
Loss per share	8	Pence	Pence
Basic		(0.17)	(0.20)
Diluted		<u><u>N/A</u></u>	<u><u>N/A</u></u>

The notes on pages 7 to 16 form an integral part of these financial statements.

Globe Capital Limited
Statement of financial position
As at 31 December 2015

	<i>Note</i>	2015 GBP	2014 GBP
Non-current asset			
Property, plant and equipment	9	<u>5,631</u>	<u>28,153</u>
Current assets			
Prepayments		51	572
Cash and cash equivalents		<u>10,266</u>	<u>59,411</u>
		10,317	59,983
Deduct:			
Current liability			
Accruals		<u>65,211</u>	<u>8,215</u>
Net current (liabilities)/assets		<u>(54,894)</u>	<u>51,768</u>
Net (liabilities)/assets		<u>(49,263)</u>	<u>79,921</u>
Capital and reserves			
Share capital	10	626,966	626,966
Reserves		<u>(676,229)</u>	<u>(547,045)</u>
Total equity		<u>(49,263)</u>	<u>79,921</u>

Approved and authorised for issue by the Board of Directors on

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Garry Alides Willinge
Non-executive director

The notes on pages 7 to 16 form an integral part of these financial statements.

Globe Capital Limited
Statement of changes in equity
For the year ended 31 December 2015

	<i>Share capital GBP</i>	<i>Share premium GBP</i>	<i>Accumulated losses GBP</i>	<i>Total GBP</i>
As at 1 January 2014	626,966	388,509	(786,443)	229,032
Loss and total comprehensive loss for the year	<u>-</u>	<u>-</u>	<u>(149,111)</u>	<u>(149,111)</u>
As at 31 December 2014	626,966	388,509	(935,554)	79,921
Loss and total comprehensive loss for the year	<u>-</u>	<u>-</u>	<u>(129,184)</u>	<u>(129,184)</u>
As at 31 December 2015	<u>626,966</u>	<u>388,509</u>	<u>(1,064,738)</u>	<u>(49,263)</u>

The notes on pages 7 to 16 form an integral part of these financial statements.

Globe Capital Limited
Statement of cash flows
For the year ended 31 December 2015

	2015	2014
	GBP	GBP
Cash flows from operating activities		
Loss before income tax	(129,184)	(149,111)
Adjustments for :-		
Bank interest income	(2)	(9)
Depreciation	<u>22,522</u>	<u>22,523</u>
Operating loss before working capital changes	(106,664)	(126,597)
Changes in working capital :-		
Prepayments	521	1,053
Accruals	<u>56,996</u>	<u>(14,202)</u>
Net cash used in operating activities	<u>(49,147)</u>	<u>(139,746)</u>
Cash flows from investing activity		
Bank interest received	<u>2</u>	<u>9</u>
Net cash from investing activity	<u>2</u>	<u>9</u>
Net decrease in cash and cash equivalents	(49,145)	(139,737)
Cash and cash equivalents at beginning of the year	<u>59,411</u>	<u>199,148</u>
Cash and cash equivalents at end of the year	<u><u>10,266</u></u>	<u><u>59,411</u></u>

Globe Capital Limited
Notes to the financial statements
For the year ended 31 December 2015

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's shares are traded on the ICAP Securities and Derivative Exchange ("ISDX") in the United Kingdom.

The Company is an investing company and had no subsidiary as at 31 December 2015 and 2014.

These financial statements are presented in Pound Sterling which is the currency of the primary economic environment in which the Company operates in (its functional currency).

2. Basis of preparation

(a) Statement of compliance

These 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 following International Financial Reporting Standards :-

Amendments to IAS 19 Annual improvements (2010 - 2012)	Defined Benefit Plans: Employee Contributions Amendments to IFRS 8, IAS 16, IAS 24 and IAS 38
Annual improvements (2011 - 2013)	Amendments to IFRS 3, IFRS 13 and IAS 40

The initial application of these financial reporting standards does not necessitate material changes in the Company's accounting policies and retrospective adjustments of the comparatives presented in the financial statements.

Globe Capital Limited
Notes to the financial statements
For the year ended 31 December 2015

2. Basis of preparation (cont'd)

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

The following new and revised International Financial Reporting Standards in issue at 31 December 2015 have not been applied in the preparation of the Company's financial statements for the year then ended since they were not yet effective for the annual period beginning on 1 January 2015 :-

IFRS 9 (2014)	Financial Instruments ²
IFRS 14	Regulatory Deferral Accounts ³
IFRS 15	Revenue from Contracts with Customers ²
Amendments to IAS 1	Disclosure Initiative ¹
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants ¹
Amendments to IAS 27	Equity Method in Separate Financial Statements ¹
Amendments to IAS 28 and IFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to IAS 28, IFRS 10 and IFRS 12	Investment Entities: Applying the Consolidation Exception ¹
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations ¹
Annual Improvements (2012-2014)	Amendments to IFRS 5, IFRS 7 and IAS 19 ¹

¹ Effective for annual periods beginning on or after 1 January 2016

² Effective for annual periods beginning on or after 1 January 2018

³ Effective for an entity that first adopts IFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Company

⁴ Effective for annual periods beginning on or after a date to be determined

The Company is in the process of making an assessment of what the impact of these standards and 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 the financial statements.

(d) Adoption of going concern

When preparing the financial statements, the Company's ability to continue as a going concern has been assessed. These financial statements have been prepared by the directors on a going concern basis notwithstanding that the Company had incurred a net loss of GBP129,184 for the year ended 31 December 2015 and as of that date, the Company had net current liabilities and net liabilities of GBP54,894 and GBP49,263 respectively as the directors considered that Toddbrook Investments Limited, a shareholder, will provide continuing financial support to the Company.

Globe Capital Limited
Notes to the financial statements
For the year ended 31 December 2015

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 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 financial statements have been prepared on the historical cost basis

(b) 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 is an investing company. Accordingly, no segmental analysis is considered necessary.

(c) Revenue recognition

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

(d) 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.

Globe Capital Limited
Notes to the financial statements
For the year ended 31 December 2015

4. Significant accounting policies (cont'd)

(d) Taxation (cont'd)

Deferred income tax is recognised using the 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.

(e) Foreign currency transactions

Transactions in currencies other than the functional currency are translated at the foreign exchange rate ruling at the dates of the transactions. 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.

(f) 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
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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.

4. Significant accounting policies (cont'd)

(g) 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 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.

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.

(h) 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.

(i) 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.

Globe Capital Limited
Notes to the financial statements
For the year ended 31 December 2015

4. Significant accounting policies (cont'd)

(j) 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.

(k) 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.

(l) 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. Revenue and other income

The Company had no revenue during the year. Other income represents bank interest income.

Globe Capital Limited
Notes to the financial statements
For the year ended 31 December 2015

6. Loss before income tax	2015	2014
	GBP	GBP
Loss before income tax is stated after charging :-		
Depreciation	22,522	22,523
Staff costs (including Directors' remuneration)	15,360	29,280

7. Income tax

- (a) No provision for income tax has been made in these financial statements as the Company has no estimated taxable profit chargeable to Hong Kong profits tax.

Income tax is reconciled to loss before income tax as follows :-

	2015	2014
	GBP	GBP
Loss before income tax	<u>(129,184)</u>	<u>(149,111)</u>
Hong Kong profits tax rate	<u>16.5%</u>	<u>16.5%</u>
Loss before income tax at applicable tax rates	(21,315)	(24,603)
Tax effect of expenses not deductible	21,316	24,604
Tax effect of income not taxable	<u>(1)</u>	<u>(1)</u>
Income tax	<u>-</u>	<u>-</u>

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

8. Loss per share

Basic loss per share is calculated by dividing loss for the year attributable to shareholders by the weighted average number of Ordinary Shares outstanding during the year.

	2015	2014
Loss attributable to shareholders (in GBP)	(129,184)	(149,111)
Weighted average number of Ordinary Shares in issue	74,638,800	74,638,800
Basic loss per share (in pence)	(0.17)	(0.20)
Diluted loss per share	<u>N/A</u>	<u>N/A</u>

The Company had no potential dilutive instruments during the current and preceding years.

Globe Capital Limited (Formerly known as Ford Eagle Group Limited)
Notes to the financial statements
For the year ended 31 December 2015

9. Property, plant and equipment	<i>Leasehold improvements GBP</i>	
Cost :-		
At 1.1.2014, 31.12.2014 and 31.12.2015		62,876
Aggregate depreciation :-		
At 1.1.2014		12,200
Charge for the year		22,523
At 31.12.2014		34,723
Charge for the year		22,522
At 31.12.2015		57,245
Net book value :-		
At 31.12.2015		5,631
At 31.12.2014		28,153
10. Share capital and capital management		
(a) Share capital		
Authorised :-	2015 GBP	2014 GBP
93,804,979,600 Ordinary Shares of 0.01 pence each	9,380,498	9,380,498
4,146,600 Class A Non-Voting Shares of 9 pence each	373,194	373,194
24,879,600 Class B Non-Voting Shares of 0.99 pence each	246,308	246,308
	10,000,000	10,000,000
Issued and fully paid :-		
74,638,800 Ordinary Shares of 0.01 pence each	7,464	7,464
4,146,600 Class A Non-Voting Shares of 9 pence each	373,194	373,194
24,879,600 Class B Non-Voting Shares of 0.99 pence each	246,308	246,308
	626,966	626,966

Globe Capital Limited
Notes to the financial statements
For the year ended 31 December 2015

10. Share capital and capital management (Cont'd)

(b) Capital management

The Company's policy is to maintain a strong capital base so as to maintain investors, creditors 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.

11. Related party transactions

(a) Remuneration for key management personnel of the Company

	2015	2014
	GBP	GBP
Salaries and other benefits	<u>15,360</u>	<u>29,280</u>

(b) The Company had no material transactions with its related parties during the year.

12. 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. The Directors have 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

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by obtaining continuing financial support from a shareholder to meet its liabilities when they fall due.

Globe Capital Limited
Notes to the financial statements
For the year ended 31 December 2015

12. Financial risk management (Cont'd)

(b) Liquidity risk (cont'd)

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 :-

	2015			2014		
	<i>Carrying amount</i> <i>GBP</i>	<i>Total contractual undiscounted cash flows</i> <i>GBP</i>	<i>Within 1 year or on demand</i> <i>GBP</i>	<i>Carrying amount</i> <i>GBP</i>	<i>Total contractual undiscounted cash flows</i> <i>GBP</i>	<i>Within 1 year or on demand</i> <i>GBP</i>
Accruals	65,211	65,211	65,211	8,215	8,215	8,215

(c) Fair values

The carrying amounts of the Company's financial assets and financial liabilities approximate their fair values due to their short maturity.