Globe Capital Limited

Annual report
For the year ended 31 December 2016

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Contents

Chairman's Statement

I am pleased to report the final audited results for the year ended 31 December 2016 of Globe Capital Limited ("the Company").

Financial performance

The turnover for the year was nil (2015: nil) and the loss was £124,394 (2015: £129,184). The loss per share was 0.07 pence (2015: 0.17 pence). In the past year, the Directors have kept operational costs at a minimum.

Review of operations

The Company's investment strategy is to seek medium-to-long term investments in businesses that exhibit growth potential. The Company intends to be an active investor in situations where the Company can make a clear contribution to the growth and development of the investment.

At the start of the year, the Company raised £100k in new equity and realigned its investment focus towards the retail sector with an emphasis on menswear. Following which, the Company made its maiden investment with a 25% interest in Sterling Craig Ltd, a UK based online retailer for men's fashion.

The Company's shares are traded on NEX EXCHANGE Growth Market.

Board changes

During the year under review, Wong Xinyan left the Company. I would like to thank him all for his past service to the Company.

I am pleased to join the board and hope my experience and local knowledge continues to prove to be of great value to the business.

Future prospects

The Company is actively seeking investments to enhance shareholder value. We are maintaining a tight control of the Company's resources, which we consider adequate to support current levels of expenditure. The cash resources remain adequate for the current level activity but will be reviewed once further investment opportunities present themselves.

The Directors are presented with opportunities on an ongoing basis from an extensive network of introducers. The Company continues to focus on the retail sector, although the board will also look at other global opportunities if they present good shareholder value potential. The Company continues to look at the menswear business in particular.

Several target investments have been identified and the Company is currently talking to potential investors with the aim of raising further capital in order to complete the next stage of our investment strategy.

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)

Opinion

We have audited the consolidated financial statements of Globe Capital Limited set out on pages 5 to 23, which comprise the consolidated statement of financial position as at 31 December 2016, 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 notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position as at 31 December 2016, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("IAS"). Our responsibilities under those standards are further described in the "Auditor's responsibilities" section of our report. We are independent of the Group in accordance with the International Ethics Standard Board for Accountants' Code of Ethic for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 2(d) to the consolidated financial statements which indicate that the Group incurred a net loss of GBP124,394 for the year ended 31 December 2016 and as of that date, the Group had net current liabilities of GBP7,293. These conditions, along with other matters as set forth in note 2(d) to the consolidated financial statements, indicate the existence of material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Other information

The directors are responsible for the other information which comprises the Company's chairman's statement for the year ended 31 December 2016.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Other information (continued)

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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 this regard in respect of the other information we obtained prior to the date of this auditor's report.

Directors' responsibilities 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.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated financial statements.

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

Auditor's responsibilities (Continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PKF
Certified Public Accountants
Hong Kong
31 May 2017

Globe Capital Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2016

	Note	***2016*** ***GBP***	*2015* *GBP*
Revenue	5	**-**	-
Other income	5	**-**	2
Administrative expenses		**(124,394)**	(129,186)
Loss before income tax	6	**(124,394)**	(129,184)
Income tax	7	**-**	-
Loss and other comprehensive loss for the year		**(124,394)**	(129,184)
Loss per share	8	**Pence**	Pence
Basic		**(0.07)**	(0.17)
Diluted		**N/A**	N/A

The notes on pages 9 to 23 form an integral part of these consolidated financial statements.

Globe Capital Limited
Consolidated statement of financial position
As at 31 December 2016

	Note	***2016 GBP***	*2015 GBP*
Non-current asset			
Property, plant and equipment	9	**-**	5,631
Goodwill	10	**1,150**	-
Investment in an associate	11	**12,500**	-
		13,650	5,631
Current assets			
Prepayments		**6,996**	51
Cash and cash equivalents		**5,576**	10,266
		12,572	10,317
Deduct:			
Current liabilities			
Accruals		**19,771**	65,211
Amount due to a shareholder	12	**94**	-
		19,865	65,211
Net current liabilities		**(7,293)**	(54,894)
Total assets less current liabilities		**6,357**	(49,263)
Deduct:			
Non-current liabilities			
Accruals		**11,532**	-
Amounts due to directors	13	**13,137**	-
Amount due to a shareholder	14	**35,000**	-
		59,669	-
Net liabilities		**(53,312)**	(49,263)
Capital and reserves			
Share capital	15	**638,428**	626,966
Reserves		**(691,740)**	(676,229)
Total equity		**(53,312)**	(49,263)

Approved and authorised for issue by the Board of Directors on

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Garry Alides Willinge
Director

The notes on pages 9 to 23 form an integral part of these consolidated financial statements.

Globe Capital Limited
Consolidated statement of changes in equity
For the year ended 31 December 2016

	Share capital GBP	*Share premium GBP*	*Accumulated losses GBP*	*Total GBP*
As at 1 January 2015	626,966	388,509	(935,554)	79,921
Loss and total comprehensive loss for the year	-	-	(129,184)	(129,184)
As at 31 December 2015	626,966	388,509	(1,064,738)	(49,263)
Issue of shares	11,462	108,883	-	120,345
Loss and total comprehensive loss for the year	-	-	(124,394)	(124,394)
As at 31 December 2016	**638,428**	**497,392**	**(1,189,132)**	**(53,312)**

The notes on pages 9 to 23 form an integral part of these consolidated financial statements.

Globe Capital Limited
Consolidated statement of cash flows
For the year ended 31 December 2016

	2016	*2015*
	GBP	*GBP*
Cash flows from operating activities		
Loss before income tax	**(124,394)**	(129,184)
Adjustments for :-		
Bank interest income	**-**	(2)
Depreciation	**5,631**	22,522
Operating loss before working capital changes	**(118,763)**	(106,664)
Changes in working capital :-		
Prepayments	**(6,945)**	521
Accruals	**(33,908)**	56,996
Amounts due to directors	**13,137**	-
Net cash used in operating activities	**(146,479)**	(49,147)
Cash flows from investing activities		
Acquisition of a subsidiary	**(1,150)**	-
Acquisition of an associate	**(12,500)**	-
Bank interest received	**-**	2
Net cash (used in)/from investing activities	**(13,650)**	2
Cash flows from financing activities		
Proceeds from issuance of shares	**120,345**	-
Amount due to a shareholder	**35,094**	-
Net cash from financing activities	**155,439**	-
Net decrease in cash and cash equivalents	**(4,690)**	(49,145)
Cash and cash equivalents at beginning of the year	**10,266**	59,411
Cash and cash equivalents at end of the year	**5,576**	10,266

1. General information

Globe Capital Limited (the "Company", together with its subsidiary the "Group") 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 NEX EXCHANGE Growth Market.

These consolidated 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

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), International Accounting Standards ("IAS") 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 Group initially applied the following International Financial Reporting Standards :-

IAS 1	Amendments - Disclosure Initiative
IAS 16	Amendments - Clarification of Acceptable Methods of Depreciation and Amortisation
IAS 16	Amendments - Bearer Plants
IAS 27	Amendments - Equity Method in Separate Financial Statements
IAS 28	Amendments - Investment Entities: Applying the Consolidation Exception
IAS 38	Amendments - Clarification of Acceptable Methods of Depreciation and Amortisation
IAS 41	Amendments - Bearer Plants
IFRS 10	Amendments - Investment Entities: Applying the Consolidation Exception
IFRS 11	Amendments - Accounting for Acquisitions of Interests in Joint Operations
IFRS 12	Amendments - Investment Entities: Applying the Consolidation Exception
Annual Improvements (2012-2014)	Amendments to IFRS 5, IFRS 7 and IAS 19

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

2. Basis of preparation (cont'd)

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

The following International Financial Reporting Standards in issue at 31 December 2016 have not been applied in the preparation of the Group's financial statements for the year then ended since they were not yet effective for the annual period beginning on 1 January 2016:-

IFRS 9 (2014)	Financial Instruments
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases
Amendments to IAS 7	Disclosure Initiative
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to IAS 28 and IFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions

The Group is required to initially apply Amendments to IAS 7 and IAS 12 in its annual financial statements beginning on 1 January 2017, to initially apply IFRS 15, IFRS 9 (2014) and Amendments to IFRS 2 in its annual financial statements beginning on 1 January 2018, and to initially apply IFRS 16 in its annual financial statements beginning on 1 January 2019. Amendments to IAS 28 and IFRS 10 have no mandatory effective date.

(d) Adoption of going concern

When preparing the financial statements, the Group'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 Group had incurred a net loss of GBP124,394 for the year ended 31 December 2016 and as of that date, the Group had net current liabilities of GBP7,293 as the directors considered that Toddbrook Investments Limited, a shareholder, will provide continuing financial support to the Group.

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 Group 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 consolidated financial statements have been prepared on the historical cost basis

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries and subsidiary undertakings). Control is achieved where the Company has the power to govern the financial and operating policies of a portfolio company so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of 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 Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

(c) Business combination and goodwill

Business combination is accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group from the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equityinterest in the acquiree is remeasured to fair value as at the acquisition date through profit or loss.

4. Significant accounting policies (cont'd)

(c) Business combination and goodwill (cont'd)

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or a liability is recognised in accordance with IFRS 13 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquire over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items are lower than the fair value of the net assets of the subsidiary acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units, or group of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

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

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4. Significant accounting policies (cont'd)

(e) Revenue recognition

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

(f) 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 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.

(g) 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.

(h) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Results of subsidiaries are consolidated from the date on which control of the subsidiaries is transferred to the Group. They are deconsolidated from the date that control ceases.

Investment in a subsidiary is accounted for at cost less impairment. Intercompany transactions, balances and income and expenses on transactions between group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised assets are also eliminated.

In the Company's statement of financial position, investment in a subsidiary is stated at cost less provision for impairment losses. The result of a subsidiary is accounted for by the Company on the basis of dividends received and receivable.

4. Significant accounting policies (cont'd)

(i) Associates

An associate is one, not being a subsidiary or a joint venture, in which the Company is in a position to exercise significant influence, including participation in financial and operating policy decisions.

Investments in associates are stated in the Consolidated statement of financial position at cost less any identified impairment loss.

(j) 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

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.

(k) Financial instruments

Financial assets and financial liabilities are recognised when the Group 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 Group 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 Group after deducting all of its liabilities. Financial liabilities and equity instruments are recorded at the proceeds received, net of issue costs.

4. Significant accounting policies (cont'd)

(l) Impairment of non-financial assets

At the end of each reporting period, the Group 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.

(m) Provisions

Provision is recognised in the Consolidated statement of financial position when the Group 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.

(n) 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.

(o) 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.

4. Significant accounting policies (cont'd)

(p) Related parties

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

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

5. Revenue and other income

The Group had no revenue during the year. Other income represented bank interest income.

6. Loss before income tax

	2016	*2015*
	GBP	*GBP*
Loss before income tax is stated after charging :-		
Depreciation	**5,631**	22,522
Staff costs (including Directors' remuneration)	**34,495**	15,360

7. Income tax

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

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

	2016	*2015*
	GBP	*GBP*
Loss before income tax	**(124,394)**	(129,184)
Hong Kong profits tax rate	**16.5%**	16.5%
Loss before income tax at applicable tax rates	**(20,525)**	(21,315)
Tax effect of expenses not deductible	**20,525**	21,316
Tax effect of income not taxable	**-**	(1)
Income tax	**-**	-

(b) The Group 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.

	2016	*2015*
Loss attributable to shareholders (in GBP)	**(124,394)**	(129,184)
Weighted average number of Ordinary Shares in issue	**189,253,085**	74,638,800
Basic loss per share (in pence)	**(0.07)**	(0.17)
Diluted loss per share	**N/A**	N/A

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

9. Property, plant and equipment

	Leasehold improvements GBP
Cost :-	
At 1.1.2015, 31.12.2015 and 31.12.2016	**62,876**
Aggregate depreciation :-	
At 1.1.2015	34,723
Charge for the year	22,522
At 31.12.2015	57,245
Charge for the year	5,631
At 31.12.2016	**62,876**
Net book value :-	
At 31.12.2016	**-**
At 31.12.2015	5,631

10. Goodwill

	2016 GBP	*2015 GBP*
Cost :-		
At 1.1	-	-
Business combination – Note 18	1,150	-
At 31.12	1,150	-
Impairment:		
At 1.1	-	-
Charge for the year	-	-
At 31.12	-	-
Carrying amount :-		
At 31.12	**1,250**	**-**

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

11. Investment in an associate

	2016	*2015*
	GBP	*GBP*
Unlisted equity, at cost	**12,500**	-

Notes :-

Details of associate at 31 December 2016 are as follows :-

		Percentage of equity held		
Name of company	***Place of establishment***	***directly***	***indirectly***	***Principal activity***
Sterling Craig Limited	Great Britain	25%	-	Sales of fashion wears

The equity method of accounting for the results of the associate has not been adopted and its financial summary is not disclosed as the financial statement of the associate is not available.

12. Amount due to a shareholder

The amount is unsecured, interest-free and repayable on demand.

13. Amounts due to directors

The amounts are unsecured, interest-free and not repayable within twelve months from the year end date. The directors consider the carrying amounts approximate their fair values.

14. Amount due to a shareholder

The amount is unsecured, interest-free and not repayable within twelve months from the year end date. The directors consider the carrying amounts approximate their fair values.

15. Share capital and capital management

(a) Share capital

Authorised :-	***2016 GBP***	*2015 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 :-		
189,253,085(2015:74,638,800) Ordinary Shares of 0.01 pence each	**18,926**	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
	638,428	626,966

(b) Capital management

The Group'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 Group's affairs to achieve shareholder returns through capital growth and income.

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

16. Related party transactions

(a) Remuneration for key management personnel of the Group

	2016 GBP	*2015 GBP*
Acquisition of a subsidiary from a shareholder	**1,250**	-
Salaries and other benefits	**34,495**	15,360

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

17. Financial risk management

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

(a) Credit risk

The Group'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 Group will encounter differently in meeting obligations associated with financial liabilities. The Group manages liquidity risk by obtaining continuing financial support from a shareholder to meet its liabilities when they fall due.

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

	2016	*2013*
	GBP	*GBP*
Total amounts of contractual undiscounted obligations :-		
Accruals	**31,303**	65,211
Amounts due to directors	**13,137**	-
Amount due to a shareholder	**35,094**	-
	79,534	65,211
Due for payment :-		
Within one year or on demand	**19,865**	65,211
In the second to fifth years	**59,669**	-
	79,534	65,211

(c) Fair values

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

18. Acquisition of a subsidiary

On 25 March, 2016, the Group entered into a contract with shareholder, Toddbrook Investments Limited, to acquire 100% equity of Globe Capital Administration Limited.("GCAL"), an inactive company established in Great Britain at GBP1,250, and obtained the control of GCAL on 25 March, 2016.

The fair values of the identifiable assets acquired as of 25 March, 2016 arising from the acquisition are as follows :-

	Fair value GBP
Cash and bank balances	100
Total net identifiable assets	100

Details of goodwill arising from the acquisition are as follows :-

	GBP
Purchase consideration	1,250
Net identifiable assets acquired	100
	1,150

The cash inflow from acquisition is as follows :-

	GBP
Cash consideration	1,250
Cash and cash equivalents in subsidiary acquired	100
Cash inflow on acquisition	1,150

If the acquisition had occurred on 1 January, 2016, the Group’s revenue for the year ended 31st December, 2016 would have been GBPnil and loss before income tax would have been GBP124,394 These amounts have been calculated using the Group’s accounting policies.

19. Particulars of a subsidiary

	2016 GBP	*2015 GBP*
Unlisted equity, at cost	**1,250**	-

Details of subsidiary at 31 December 2016 are as follows :-

Name of company	***Place of establishment***	***Percentage of equity held***		***Principal activity***
		directly	***indirectly***	
Global Capital Administration Limited	Great Britain	100%	-	Inactive

20. Information about the Statement of Financial Position of the Company

	Note	***2016 GBP***	*2015 GBP*
Non-current asset			
Property, plant and equipment		**-**	5,631
Investment in a subsidiary	19	**1,250**	-
Investment in an associate		**12,500**	-
		13,750	5,631
Current assets			
Prepayments		**6,996**	51
Cash and cash equivalents		**5,382**	10,266
		12,378	10,317
Deduct:			
Current liabilities			
Accruals		**19,771**	65,211
Net current liabilities		**(7,393)**	(54,894)
Total assets less current liabilities		**6,357**	(49,263)
Deduct:			
Non-current liabilities			
Accruals		**11,532**	-
Amounts due to directors		**13,137**	-
Amount due to a shareholder		**35,000**	-
		59,669	-
Net liabilities		**(53,312)**	(49,263)
Capital and reserves			
Share capital		**638,428**	626,966
Reserves		**(691,740)**	(676,229)
Total equity		**(53,312)**	(49,263)