

Company Registration No. 10646614 (England and Wales)

**GLOBAL CAPITAL HOLDINGS LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 MARCH 2018**



# GLOBAL CAPITAL HOLDINGS LTD

## COMPANY INFORMATION

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<b>Directors</b>	Mr F Lalani Mr J Mawji	(Appointed 1 March 2017) (Appointed 1 March 2017)
<b>Company number</b>	10646614	
<b>Registered office</b>	Charlotte House Stanier Way The Wyvern Business Park Derby Derbyshire DE21 6BF	
<b>Auditor</b>	Baldwins Audit Services Wynyard Park House Wynyard Avenue Wynyard TS22 5TB	
<b>Bankers</b>	HSBC Bank Plc St Clement Danes W C 2 194 Strand London WC2R 1DX	

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# GLOBAL CAPITAL HOLDINGS LTD

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# GLOBAL CAPITAL HOLDINGS LTD

## STRATEGIC REPORT

FOR THE PERIOD ENDED 30 MARCH 2018

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This strategic report has been prepared for the Company and its subsidiaries as a whole and therefore gives greater emphasis to those matters which are significant to Global Capital Holdings Ltd and its subsidiary undertakings when viewed as a whole.

### **Fair review of the business**

The group has performed well during the year with increasing demand from key operating partners. During this period, the group focused on providing properties to its key clients and has ramped up supply of properties over the period.

A large proportion of the profit of the group was driven by one significant transaction where the parent company was able to purchase and dispose of a group of properties through its subsidiary Merry Den Reversions Ltd.

The majority of outflows relate to refurbishment costs with such costs continuing post disposal to make the properties suitable for their intended use. Appropriate provisions have been made to cover these estimated costs.

The group remains in strong financial position and expects to meet all of its committed obligations based on current liquidity and requirements.

There have been no negative headwinds to impact the continued growth of the group. Cost of refurbishing properties have been increasing throughout the period and additional, unexpected costs uncovered during the works have impacted profits slightly but did not have a significant impact on results.

### **Principal risks and uncertainties**

The group has clear leadership at the director level and a strong management team.

Risks to the business are regularly considered and their impact mitigated. Principal risks and uncertainties are noted as:

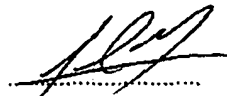
1. **Funding for future growth:** The group has relationships with various funders to assist in the purchase and sale of properties. The group continues to expand this funder base to support the expected growth.
2. **Refurbishment costs:** Refurbishment costs continue to increase and often actual costs are higher than those projected at acquisition of the property. The group has been including a contingency into its projections which has mitigated the cost increases to date.

The Group continues to strengthen its processes and systems to identify risks early in order to minimise the impact.

### **Key performance indicators**

The group has reported a good first year with Revenue of £31,194,879 and profit before tax of £7,567,659.

On behalf of the board



Mr J Mawji

Director

26.12.19

# GLOBAL CAPITAL HOLDINGS LTD

## DIRECTORS' REPORT

**FOR THE PERIOD ENDED 30 MARCH 2018**

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The directors present their annual report and financial statements for the period ended 30 March 2018.

### Principal activities

The principal activity of the company and group is that of buying and selling of real estate.

### Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Mr F Lalani	(Appointed 1 March 2017)
Mr J Mawji	(Appointed 1 March 2017)

### Results and dividends

The results for the period are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



Mr J Mawji

Director

Date: 26.12.19

# **GLOBAL CAPITAL HOLDINGS LTD**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE PERIOD ENDED 30 MARCH 2018***

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

# GLOBAL CAPITAL HOLDINGS LTD

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF GLOBAL CAPITAL HOLDINGS LTD

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#### Opinion

We have audited the financial statements of Global Capital Holdings Ltd (the 'parent company') and its subsidiaries (the 'group') for the period ended 30 March 2018 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 March 2018 and of the group's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

#### Other information

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

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

We have nothing to report in this regard.

# GLOBAL CAPITAL HOLDINGS LTD

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF GLOBAL CAPITAL HOLDINGS LTD

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

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

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

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

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

#### **Responsibilities of directors**

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



# GLOBAL CAPITAL HOLDINGS LTD

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF GLOBAL CAPITAL HOLDINGS LTD

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#### Use of our report

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

*Baldwins Audit Services*

Joanne Regan FCA (Senior Statutory Auditor)  
for and on behalf of Baldwins Audit Services

*27 February 2019*

Statutory Auditor

Wynyard Park House  
Wynyard Avenue  
Wynyard  
TS22 5TB

# GLOBAL CAPITAL HOLDINGS LTD

## GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 MARCH 2018

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	Notes	Period ended 30 March 2018 £
Turnover	3	32,400,143
Cost of sales		(24,123,183)
<b>Gross profit</b>		<u>8,276,960</u>
Administrative expenses		(809,382)
Exceptional loan written off	4	(100,003)
<b>Operating profit</b>	5	<u>7,367,575</u>
Interest receivable and similar income	9	173
Interest payable and similar expenses	10	(1,052,504)
<b>Profit before taxation</b>		<u>6,315,244</u>
Tax on profit	11	(1,313,947)
<b>Profit for the financial period</b>		<u><u>5,001,297</u></u>

Profit for the financial period is all attributable to the owners of the parent company.

Total comprehensive income for the period is all attributable to the owners of the parent company.

# GLOBAL CAPITAL HOLDINGS LTD

## GROUP BALANCE SHEET

AS AT 30 MARCH 2018

	Notes	2018 £	£
<b>Fixed assets</b>			
Tangible assets	12		15,372
<b>Current assets</b>			
Stocks	17	2,707,582	
Debtors	18	5,982,231	
Cash at bank and in hand		2,141,919	
		<u>10,831,732</u>	
<b>Creditors: amounts falling due within one year</b>	19	<u>(5,842,892)</u>	
<b>Net current assets</b>			<u>4,988,840</u>
<b>Total assets less current liabilities</b>			<u>5,004,212</u>
<b>Provisions for liabilities</b>	20		<u>(2,911)</u>
<b>Net assets</b>			<u><u>5,001,301</u></u>
<b>Capital and reserves</b>			
Called up share capital	22		4
Profit and loss reserves			<u>5,001,297</u>
<b>Total equity</b>			<u><u>5,001,301</u></u>

The financial statements were approved by the board of directors and authorised for issue on 26.12.18 and are signed on its behalf by:

  
.....  
Mr J Mawji  
Director

# GLOBAL CAPITAL HOLDINGS LTD

## COMPANY BALANCE SHEET

AS AT 30 MARCH 2018

	Notes	2018	
		£	£
<b>Fixed assets</b>			
Tangible assets	12		5,252
Investments	13		110
			<u>5,362</u>
<b>Current assets</b>			
Stocks	17	765,637	
Debtors	18	7,455,260	
Cash at bank and in hand		2,007,560	
		<u>10,228,457</u>	
<b>Creditors: amounts falling due within one year</b>	19	<u>(7,167,039)</u>	
<b>Net current assets</b>			<u>3,061,418</u>
<b>Total assets less current liabilities</b>			<u>3,066,780</u>
<b>Provisions for liabilities</b>	20		<u>(998)</u>
<b>Net assets</b>			<u><u>3,065,782</u></u>
<b>Capital and reserves</b>			
Called up share capital	22		4
Profit and loss reserves			<u>3,065,778</u>
<b>Total equity</b>			<u><u>3,065,782</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £3,065,778.

The financial statements were approved by the board of directors and authorised for issue on .....26.12.18  
and are signed on its behalf by:

  
.....  
Mr J Mawji  
Director

Company Registration No. 10646614

# GLOBAL CAPITAL HOLDINGS LTD

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 MARCH 2018

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	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Period ended 30 March 2018:</b>				
Profit and total comprehensive income for the period		-	5,001,297	5,001,297
Issue of share capital	22	4	-	4
<b>Balance at 30 March 2018</b>		<u>4</u>	<u>5,001,297</u>	<u>5,001,301</u>

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# GLOBAL CAPITAL HOLDINGS LTD

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 MARCH 2018

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	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Period ended 30 March 2018:</b>				
Profit and total comprehensive income for the period		-	3,065,778	3,065,778
issue of share capital	22	4	-	4
<b>Balance at 30 March 2018</b>		<u>4</u>	<u>3,065,778</u>	<u>3,065,782</u>

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# GLOBAL CAPITAL HOLDINGS LTD

## GROUP STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 MARCH 2018

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	Notes	2018	
		£	£
<b>Cash flows from operating activities</b>			
Cash generated from/(absorbed by) operations	26	2,160,045	
Interest paid		(89)	
<b>Net cash inflow/(outflow) from operating activities</b>		<u>2,159,956</u>	
<b>Investing activities</b>			
Purchase of tangible fixed assets		(18,217)	
Proceeds from other investments and loans		3	
Interest received		173	
<b>Net cash used in investing activities</b>		<u>(18,041)</u>	
<b>Financing activities</b>			
Proceeds from issue of shares		4	
<b>Net cash generated from/(used in) financing activities</b>		<u>4</u>	
<b>Net increase in cash and cash equivalents</b>		<u>2,141,919</u>	
Cash and cash equivalents at beginning of period			-
<b>Cash and cash equivalents at end of period</b>		<u><u>2,141,919</u></u>	

# GLOBAL CAPITAL HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 MARCH 2018

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### 1 Accounting policies

#### Company Information

Global Capital Holdings Ltd ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Charlotte House, Stanier Way, The Wyvem Business Park, Derby, DE21 6BF.

The group consists of Global Capital Holdings Ltd and all of its subsidiaries.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

#### 1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.



# GLOBAL CAPITAL HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 MARCH 2018

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### 1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of Global Capital Holdings Ltd and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 March 2018. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### 1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.4 Reporting period

The consolidated financial statements of Global Capital Holdings Limited are presented for a 13 month period. This is the first set of financial statements and they have been prepared from the date of incorporation of 1 March 2017 to 30 March 2018.

#### 1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for the sale of properties in the normal course of business. The sale of properties are either as individual property sales, or the sale of shares in special purpose vehicles in which the properties are contained.

Revenue from the sale of properties is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Computers	33% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

# GLOBAL CAPITAL HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 MARCH 2018

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### 1 Accounting policies

(Continued)

#### 1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

#### 1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

# GLOBAL CAPITAL HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 MARCH 2018

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### 1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.9 Stocks

Stocks comprise direct costs associated with property acquisitions. Cost comprises direct costs and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.10 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.11 Financial Instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# GLOBAL CAPITAL HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 30 MARCH 2018

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#### 1 Accounting policies

(Continued)

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements 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.

Basic financial liabilities, comprising creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### 1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### 1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

# GLOBAL CAPITAL HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 30 MARCH 2018

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#### 1 Accounting policies

(Continued)

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# GLOBAL CAPITAL HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 MARCH 2018

### 2 Judgements and key sources of estimation uncertainty (Continued)

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Provision for fit out costs

As a condition of the sale of some of the properties, refurbishment is required after sale to ensure they are suitable for the use intended. The company contracts to meet this obligation. A specific provision for the costs expected for each property is included within creditors under 'provision for fit out costs'. At the balance sheet date, the directors provide a best estimate of the provision required for future fit out costs for properties sold. The directors best estimate is derived from their knowledge of historic transactions and costs.

#### Income recognition

Income relating to the sale of a property or investment is recognised when the significant risks and rewards of the properties or investments have passed to the buyer.

#### Carrying value of stock

Properties for resale are held at the lower of cost and net realisable value. The cost includes all legal costs incurred in purchasing the property to be resold. Pre acquisition property costs are held within stock at cost. These relate to costs incurred on properties which are purchased post year end. No costs are held in stocks for any aborted property purchases post year end.

### 3 Turnover and other revenue

	2018
	£
<b>Turnover analysed by class of business</b>	
Property sales	30,619,616
Profit share in collaborative projects	1,780,527
	<u>32,400,143</u>
	2018
	£
<b>Other significant revenue</b>	
Interest income	173
	<u>173</u>

During the period all turnover was generated within the United Kingdom.

### 4 Exceptional costs 2018

Write off of shareholder loan	<u>100,003</u>
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The directors consider that a loan to a minority shareholder will not be repaid. Therefore full provision has been made for this balance.

# GLOBAL CAPITAL HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 MARCH 2018

### 5 Operating profit

2018  
£

Operating profit for the period is stated after charging:

Depreciation of owned tangible fixed assets	2,845
Cost of stocks recognised as an expense	24,123,183

### 6 Auditor's remuneration

2018  
£

Fees payable to the company's auditor and associates:

#### For audit services

Audit of the financial statements of the group and company	7,000
Audit of the financial statements of the company's subsidiaries	3,000
	<u>10,000</u>

### 7 Employees

The average monthly number of persons (including directors) employed by the group and company during the period was:

	Group 2018 Number	Company 2018 Number
Management and admin	<u>8</u>	<u>5</u>

Their aggregate remuneration comprised:

	Group 2018 £	Company 2018 £
Wages and salaries	580,727	213,227
Social security costs	71,981	24,241
Pension costs	445	380
	<u>653,153</u>	<u>237,848</u>

# GLOBAL CAPITAL HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 MARCH 2018

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<b>8</b>	<b>Directors' remuneration</b>	<b>2018</b>
		<b>£</b>
	Remuneration for qualifying services	12,000
	Company pension contributions to defined contribution schemes	12
		<u>12,012</u>
<b>9</b>	<b>Interest receivable and similar income</b>	<b>2018</b>
		<b>£</b>
	Interest income	
	Interest on bank deposits	173
		<u>173</u>
<b>10</b>	<b>Interest payable and similar expenses</b>	<b>2018</b>
		<b>£</b>
	Interest on bank overdrafts and loans	89
	Finance costs for financial instruments measured at fair value through profit or loss	1,052,415
		<u>1,052,504</u>
	Total finance costs	<u>1,052,504</u>
<b>11</b>	<b>Taxation</b>	<b>2018</b>
		<b>£</b>
	Current tax	
	UK corporation tax on profits for the current period	1,311,036
		<u>1,311,036</u>
	Deferred tax	
	Origination and reversal of timing differences	2,911
		<u>2,911</u>
	Total tax charge	<u>1,313,947</u>



# GLOBAL CAPITAL HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 30 MARCH 2018

#### 11 Taxation

(Continued)

The actual charge for the period can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2018 £
Profit before taxation	6,315,244
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00%	1,199,896
Tax effect of expenses that are not deductible in determining taxable profit	22,903
Tax effect of income not taxable in determining taxable profit	(112,559)
Unutilised tax losses carried forward	190
Effect of change in corporation tax rate	3,558
Adjustments in respect of financial assets	199,959
Taxation charge	1,313,947

The standard rate of tax applied to the reported profit is 19%. The applicable tax rate was introduced following the substantive enactment of the Finance Act 2015.

#### 12 Tangible fixed assets

Group	Computers £
<b>Cost</b>	
At 1 March 2017	-
Additions	18,217
At 30 March 2018	18,217
<b>Depreciation and impairment</b>	
At 1 March 2017	-
Depreciation charged in the period	2,845
At 30 March 2018	2,845
<b>Carrying amount</b>	
At 30 March 2018	15,372

# GLOBAL CAPITAL HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 MARCH 2018

<b>12 Tangible fixed assets</b>		<b>(Continued)</b>	
<b>Company</b>		<b>Computers</b>	
		<b>£</b>	
<b>Cost</b>			
At 1 March 2017		-	
Additions		6,073	
		<u>6,073</u>	
At 30 March 2018		6,073	
		<u>6,073</u>	
<b>Depreciation and impairment</b>			
At 1 March 2017		-	
Depreciation charged in the period		821	
		<u>821</u>	
At 30 March 2018		821	
		<u>821</u>	
<b>Carrying amount</b>			
At 30 March 2018		5,252	
		<u><u>5,252</u></u>	
<b>13 Fixed asset investments</b>		<b>Group</b>	<b>Company</b>
	<b>Notes</b>	<b>2018</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
Investments in subsidiaries	14	-	110
		<u>-</u>	<u>110</u>
<b>Movements in fixed asset investments</b>			
<b>Company</b>			<b>Shares in</b>
			<b>group</b>
			<b>undertakings</b>
			<b>£</b>
<b>Cost or valuation</b>			
At 1 March 2017			-
Additions			112
Disposals			(2)
			<u>110</u>
At 30 March 2018			110
			<u>110</u>
<b>Carrying amount</b>			
At 30 March 2018			110
			<u><u>110</u></u>

# GLOBAL CAPITAL HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 MARCH 2018

### 14 Subsidiaries

Details of the company's subsidiaries at 30 March 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Mayfair Capital Group Limited	England and Wales	Buying and selling of real estate	Ordinary	67.00	
Merry Den Reversions Limited	England and Wales	Buying and selling of real estate	Ordinary	100.00	
Global Capital Trading GGG Limited	England and Wales	Buying and selling of real estate	Ordinary	100.00	
TP Reit Orchard End Limited (formally Global Capital Investments FFF Limited)	England and Wales	Buying and selling of real estate	Ordinary	100.00	
Civitas SPV81 Limited (formally Global Capital Trading Richmond Road Limited)	England and Wales	Buying and selling of real estate	Ordinary	100.00	
Ensco 1268 Limited	England and Wales	Non-trading company	Ordinary	100.00	

### 15 Associates

Details of associates at 30 March 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Ensco 1260 Limited	England and Wales	Non-trading company	Ordinary		50.00

Ensco 1260 Limited is jointly owned by Ensco 1268 Limited and an other party however it has been agreed that the other party has ultimate control and therefore Ensco 1260 Limited has not been included in the group financial statements.

### 16 Financial instruments

	Group 2018 £	Company 2018 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	5,982,231	n/a
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	4,531,499	n/a

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

# GLOBAL CAPITAL HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 MARCH 2018

### 17 Stocks

	Group 2018 £	Company 2018 £
Pre acquisition property costs	120,766	119,125
Properties purchased ready for resale	2,586,816	646,512
	<u>2,707,582</u>	<u>765,637</u>

### 18 Debtors

	Group 2018 £	Company 2018 £
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	-	1,726,526
Other debtors	3,886,616	3,633,119
	<u>3,886,616</u>	<u>5,359,645</u>
<b>Amounts falling due after more than one year:</b>		
Amount owed by related parties	2,095,615	2,095,615
	<u>2,095,615</u>	<u>2,095,615</u>
<b>Total debtors</b>	<u>5,982,231</u>	<u>7,455,260</u>

### 19 Creditors: amounts falling due within one year

	Group 2018 £	Company 2018 £
Trade creditors	742,658	716,144
Amounts owed to group undertakings	-	2,520,656
Corporation tax payable	1,311,036	834,251
Other taxation and social security	357	303
Other creditors	3,653,956	2,998,254
Accruals and deferred income	134,885	97,431
	<u>5,842,892</u>	<u>7,167,039</u>

# GLOBAL CAPITAL HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 MARCH 2018

### 20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	<b>Liabilities</b>	
	<b>2018</b>	
<b>Group</b>	<b>£</b>	
Accelerated capital allowances	2,911	
	<u>          </u>	
	<b>Liabilities</b>	
	<b>2018</b>	
<b>Company</b>	<b>£</b>	
Accelerated capital allowances	998	
	<u>          </u>	
	<b>Group</b>	<b>Company</b>
	<b>2018</b>	<b>2018</b>
<b>Movements in the period:</b>	<b>£</b>	<b>£</b>
Liability at 1 March 2017	-	-
Charge to profit or loss	2,911	998
	<u>          </u>	<u>          </u>
Liability at 30 March 2018	2,911	998
	<u>          </u>	<u>          </u>

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period.

The deferred tax liability on accelerated capital allowances set out above is expected to reverse over the lifetime of the assets to which it relates.

### 21 Retirement benefit schemes

	<b>2018</b>
	<b>£</b>
Defined contribution schemes	
Charge to profit or loss in respect of defined contribution schemes	445
	<u>          </u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

# GLOBAL CAPITAL HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 MARCH 2018

### 22 Share capital

	Group and company 2018 £
Ordinary share capital Issued and fully paid 4 ordinary shares of £1 each	4

On incorporation, the company allotted 4 ordinary shares of £1 each at par.

### 23 Related party transactions

There are no key management personnel other than the directors.

#### Transactions with related parties

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2018 £
<b>Group</b>	
Key management personnel	1,629,523
Other related parties	434,433
	<u>2,063,956</u>
<b>Company</b>	
Key management personnel	1,273,821
Other related parties	434,433
	<u>1,708,254</u>

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2018 Balance £
<b>Group</b>	
Other related parties	5,142,264
	<u>5,142,264</u>
<b>Company</b>	
Other related parties	5,142,264
	<u>5,142,264</u>

### 24 Directors' transactions

At the balance sheet date £1,629,523 was owed to the directors. These are interest free loans and are repayable on demand.

# GLOBAL CAPITAL HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 MARCH 2018

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**25 Controlling party**

The ultimate controlling parties are Mr and Mrs Mawji and Mr and Mrs Lalani, the shareholders of Global Capital Holdings Ltd.

**26 Cash generated from group operations**

	<b>2018</b>
	<b>£</b>
Profit for the period after tax	5,001,297
Adjustments for:	
Taxation charged	1,313,947
Finance costs	89
Investment income	(173)
Depreciation and impairment of tangible fixed assets	2,845
Movements in working capital:	
(Increase) in stocks	(2,707,582)
(Increase) in debtors	(5,982,234)
Increase in creditors	4,531,856
<b>Cash generated from/(absorbed by) operations</b>	<b><u><u>2,160,045</u></u></b>