

Globe Capital Limited

Annual report
For the year ended 31 December 2014

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For the year ended 31 December 2014

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Globe Capital Limited
Chairman's statement
For the year ended 31 December 2014

Chairman's Statement

I am pleased to report the final audited consolidated results for the twelve months ended 31 December 2014 of Globe Capital Limited ("the Company").

Financial performance

The turnover for the year was nil (2013: £800) and the loss was £149,111 (2013: £141,930). The loss per share was 0.20 pence (2013: 0.60 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. With limited resources available, the Directors have been prudent and have turned down a number of investment opportunities. Nonetheless, the Company continues to seek investment proposals.

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

Board changes

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

Future prospects

The Directors intend to conduct a strategic review of its business to consider options to maximise value for shareholders. Communications to shareholders will be sent when developments are made.

Daemon Wong
Executive Director

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

We have audited the financial statements of Globe Capital Limited set out on pages 3 to 18, which comprise the statement of financial position as at 31 December 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The directors are responsible for the preparation of 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company as at 31 December 2014 and of its loss and cash flows for the year then ended in accordance with International Financial Reporting Standards.

PKF
Certified Public Accountants
Hong Kong

Globe Capital Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2014

	<i>Note</i>	2014 GBP	<i>2013</i> <i>GBP</i>
Revenue	5	-	800
Other income	6	9	2
Gain on disposal of subsidiaries	13	-	221,637
Fair value loss of financial instruments at fair value through profit or loss		-	(142,200)
Administrative expenses		(149,120)	(213,369)
Finance costs	7	<u>-</u>	<u>(8,800)</u>
Loss before income tax	8	(149,111)	(141,930)
Income tax	9	<u>-</u>	<u>-</u>
Loss for the year		<u>(149,111)</u>	<u>(141,930)</u>
Other comprehensive (expense)/income, net of income tax			
Items that will not be reclassified to profit or loss			
- Release of foreign currency translation reserve upon disposal of foreign operations		-	(3,359)
Items may be subsequently reclassified to profit or loss			
- Exchange differences on translating foreign operations		<u>-</u>	<u>1,270</u>
Other comprehensive expense, net of income tax		<u>-</u>	<u>(2,089)</u>
Total comprehensive loss for the year		<u>(149,111)</u>	<u>(144,019)</u>
Loss per share			
	10	Pence	Pence
Basic		(0.20)	(0.60)
Diluted		<u>N/A</u>	<u>N/A</u>

The notes on pages 8 to 19 form an integral part of these financial statements.

Globe Capital Limited
Statement of financial position
As at 31 December 2014

	<i>Note</i>	2014 GBP	<i>2013</i> <i>GBP</i>
Non-current asset			
Property, plant and equipment	11	----- 28,153 -----	-----50,676-----
Current assets			
Prepayments		572	1,625
Cash and cash equivalents		<u>59,411</u>	<u>199,148</u>
		59,983	200,773
Deduct:			
Current liability			
Accruals		<u>8,215</u>	<u>22,417</u>
Net current assets		----- 51,768 -----	-----178,356-----
Net assets		<u>79,921</u>	<u>229,032</u>
Capital and reserves			
Share capital	12	626,966	626,966
Reserves		<u>(547,045)</u>	<u>(397,934)</u>
Total equity		<u>79,921</u>	<u>229,032</u>

Approved and authorised for issue by the Board of Directors on

.....
Wong Xinyan
Executive director

The notes on pages 8 to 19 form an integral part of these financial statements.

Globe Capital Limited
Statement of changes in equity
For the year ended 31 December 2014

	<i>Share capital GBP</i>	<i>Share premium GBP</i>	<i>Accumulated losses GBP</i>	<i>Foreign currency translation GBP</i>	<i>Total GBP</i>
As at 1 January 2013	414,660	194,448	(644,513)	2,089	(33,316)
Issue of shares	212,306	194,061	-	-	406,367
Comprehensive loss					
Loss for the year	-	-	(141,930)	-	(141,930)
Other comprehensive income/(expense)					
Exchange differences on translating foreign operations	-	-	-	1,270	1,270
Release of foreign currency translation reserve upon disposal of foreign operations	-	-	-	(3,359)	(3,359)
Total comprehensive loss for the year	-	-	(141,930)	(2,089)	(144,019)
As at 31 December 2013	626,966	388,509	(786,443)	-	229,032
Comprehensive loss					
Loss and total comprehensive loss for the year	-	-	(149,111)	-	(149,111)
As at 31 December 2014	626,966	388,509	(935,554)	-	79,921

The notes on pages 8 to 19 form an integral part of these financial statements.

Globe Capital Limited
Statement of cash flows
For the year ended 31 December 2014

	<i>Note</i>	2014 GBP	<i>2013</i> <i>GBP</i>
Cash flows from operating activities			
Loss before income tax		(149,111)	(141,930)
Adjustments for :-			
Bank interest income		(9)	(2)
Gain on disposal of subsidiaries		-	(221,637)
Depreciation		22,523	12,200
Fair value loss of financial instruments at fair value through profit or loss		-	142,200
Interest on unsecured loans		-	8,800
		<hr/>	<hr/>
Operating loss before working capital changes		(126,597)	(200,369)
Changes in working capital :-			
Trade, other receivables and prepayments		1,053	(1,694)
Other payables and accruals		(14,202)	44,441
		<hr/>	<hr/>
Net cash used in operating activities		----- (139,746) -----	----- (157,622) -----
Cash flows from investing activities			
Disposal of subsidiaries	13	-	(93,302)
Bank interest received		9	2
Payment for purchase of property, plant and equipment		-	(62,876)
		<hr/>	<hr/>
Net cash from/(used in) investing activities		----- 9 -----	----- (156,176) -----
Cash flows from financing activities			
Proceeds from issuance of shares		-	406,367
Proceeds from unsecured loans		-	80,300
Repayment of loans from related parties		-	(46,562)
Interest paid		-	(8,800)
		<hr/>	<hr/>
Net cash from financing activities		----- - -----	----- 431,305 -----
		<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents		(139,737)	117,507
Cash and cash equivalents at beginning of the year		199,148	80,341
Effect of foreign exchange rates, net		-	1,300
		<hr/>	<hr/>
Cash and cash equivalents at end of the year		===== 59,411 =====	===== 199,148 =====

The notes on pages 8 to 19 form an integral part of these financial statements.

Globe Capital Limited
Notes to the financial statements
For the year ended 31 December 2014

1. General information

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

The Company is quoted on the ICAP Securities and Derivative Exchange (“ISDX”) in the United Kingdom and is also admitted to trading on the GXG European Stock Exchange on 4 July 2013.

The Company is an investing company and had no subsidiary as at 31 December 2014 and 2013.

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

2. Basis of preparation

(a) Statement of compliance

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

(b) Initial application of International Financial Reporting Standards

In the current year, the Company initially applied the following new and revised International Financial Reporting Standards that are first effective for the current accounting period.

Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to IAS 36	Recoverable Amount Disclosure for Non-Financial Assets
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting
IFRIC 21	Levies

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

Globe Capital Limited
Notes to the financial statements
For the year ended 31 December 2014

2. Basis of preparation (cont'd)

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

The Company has not applied the following new and revised International Financial Reporting Standards that have been issued but are not yet effective.

IFRS 9	Financial Instruments ⁵
IFRS 15	Revenue from Contracts with Customers ⁴
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations ³
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ³
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants ³
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions ¹
Amendments to IFRSs	Annual Improvements to IFRSs 2010-2012 Cycle ²
Amendments to IFRSs	Annual Improvements to IFRSs 2011-2013 Cycle ¹

¹ Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted

² Effective for annual periods beginning on or after 1 July 2014, which limited exceptions. Earlier application is permitted

³ Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted

⁴ Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted

⁵ Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted

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

3. Critical accounting estimates and judgements

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

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

4. Significant accounting policies

- (a) Basis of measurement

The financial statements have been prepared on the historical cost basis.

Globe Capital Limited
Notes to the financial statements
For the year ended 31 December 2014

4. Significant accounting policies (cont'd)

(b) Segment reporting

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

The Directors are of the opinion that the Company is an investing company. Accordingly, no segmental analysis is considered necessary.

(c) Revenue

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

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

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

(d) Taxation

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

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

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

(e) Foreign currency transactions

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

Globe Capital Limited
Notes to the financial statements
For the year ended 31 December 2014

4. Significant accounting policies (cont'd)

(f) Property, plant and equipment

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

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

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

(g) Financial instruments

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

(i) Financial assets

The Company classifies its financial assets as loans and receivables. The classification is dependent on the purpose for which the financial assets are acquired and is determined by the directors on initial recognition.

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

(ii) Financial liabilities and equity

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

Globe Capital Limited
Notes to the financial statements
For the year ended 31 December 2014

4. Significant accounting policies (cont'd)

(h) Impairment of non-financial assets

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

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

(i) Provisions

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

(j) Cash equivalents

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

(k) Employee benefits

Short term employee benefits

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

Defined contribution plans

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

Globe Capital Limited
Notes to the financial statements
For the year ended 31 December 2014

4. Significant accounting policies (cont'd)

(l) Related parties

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

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

5. Revenue

The Company derived no revenue for the year. Revenue of preceding year in the amount of GBP800 represents fixed monthly income.

6. Other income	2014	2013
	GBP	GBP
Bank interest income	<u>9</u>	<u>2</u>
7. Finance costs	2014	2013
	GBP	GBP
Interest on unsecured loans	<u>-</u>	<u>8,800</u>

Globe Capital Limited (Formerly known as Ford Eagle Group Limited)
Notes to the financial statements
For the year ended 31 December 2014

8. Loss before income tax	2014	2013
	GBP	GBP
Loss before income tax is stated after charging :-		
Auditor's remuneration	7,440	7,200
Depreciation	22,523	12,200
Mandatory provident fund contributions	-	1,152
Salaries, allowances and others	29,280	44,845
Staff costs (including directors' remuneration)	29,280	45,997

9. Income tax

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

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

	2014	2013
	GBP	GBP
Loss before income tax	(149,111)	(141,930)
Hong Kong profits tax rate	16.5%	16.5%
Loss before income tax at applicable tax rates	(24,603)	(23,418)
Tax effect of expenses not deductible	24,604	27,608
Tax effect of income not taxable	(1)	(26,868)
Tax effect of unrecognised tax losses	-	22,678
Income tax	-	-

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

10. 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.

	2014	2013
Loss attributable to shareholders (in GBP)	(149,111)	(141,930)
Weighted average number of Ordinary Shares in issue	74,638,800	23,720,824
Basic loss per share (in pence)	(0.20)	(0.60)
Diluted loss per share	N/A	N/A

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

Globe Capital Limited
Notes to the financial statements
For the year ended 31 December 2014

11. Property, plant and equipment	Leasehold improvements GBP
Cost :-	
At 1.1.2013	-
Additions	<u>62,876</u>
At 31.12.2013 and 31.12.2014	<u>62,876</u>
Aggregate depreciation :-	
At 1.1.2013	-
Charge for the year	<u>12,200</u>
At 31.12.2013	12,200
Charge for the year	<u>22,523</u>
At 31.12.2014	<u>34,723</u>
Net book value :-	
At 31.12.2014	<u>28,153</u>
At 31.12.2013	<u>50,676</u>

12. Share capital and capital management

(a) Share capital	2014	2013
Authorised :-	GBP	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	<u>246,308</u>	<u>246,308</u>
	<u>10,000,000</u>	<u>10,000,000</u>
Issued and fully paid :-		
74,638,800 Ordinary Shares of 0.01 pence each	7,464	7,464
4,146,600 Class A Non-Voting Shares of 9 pence each	373,194	373,194
24,879,600 Class B Non-Voting Shares of 0.99 pence each	<u>246,308</u>	<u>246,308</u>
	<u>626,966</u>	<u>626,966</u>

Globe Capital Limited
Notes to the financial statements
For the year ended 31 December 2014

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

(a) Share capital (cont'd)

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

First capital restructuring

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

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

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

Second capital restructuring

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

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

Globe Capital Limited
Notes to the financial statements
For the year ended 31 December 2014

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

(a) Share capital (cont'd)

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

(b) Capital management

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

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

13. Disposal of subsidiaries

On 31 May 2013, the Company disposed of two subsidiaries to a former director, Wing Tak Jack Law, at a consideration of GBP1.

(a) Consideration received	<i>2013</i> <i>GBP</i>
Considerations received in cash and cash equivalents	<u>1</u>
(b) Analysis of assets and liabilities over which control was lost	<i>2013</i> <i>GBP</i>
<u>Non-current assets</u>	
Available-for-sale financial assets	36,331
<u>Current assets</u>	
Financial assets at fair value through profit or loss	235,200
Other receivables	3,647
Cash and cash equivalents	93,303
<u>Current liabilities</u>	
Financial liabilities at fair value through profit or loss	(58,800)
Other payables	(29,612)
Unsecured loan	(40,000)
<u>Non-current liabilities</u>	
Unsecured loan	(160,000)
Loans from related parties	<u>(298,346)</u>
Net liabilities disposed of	<u>(218,277)</u>

Globe Capital Limited
Notes to the financial statements
For the year ended 31 December 2014

13. Disposal of subsidiaries (cont'd)

(c)	Gain on disposal of subsidiaries		<i>2013</i> <i>GBP</i>
	Consideration received		1
	Net liabilities disposed of		218,277
	Release of foreign currency translation reserve		<u>3,359</u>
	Gain on disposal		<u>221,637</u>
(d)	Net cash outflow on disposal of subsidiaries		<i>2013</i> <i>GBP</i>
	Consideration received in cash and cash equivalents		1
	Less: cash and cash equivalents balances disposed of		<u>(93,303)</u>
	Net cash outflow		<u>(93,302)</u>

14. Related party transactions

(a)	Remuneration for key management personnel of the Company		<i>2014</i> <i>GBP</i>	<i>2013</i> <i>GBP</i>
	Salaries and other benefits	29,280		44,845
	Contributions to defined retirement benefits scheme	<u>-</u>		<u>1,152</u>
		<u>29,280</u>		<u>45,997</u>
(b)	Apart from the information disclosed elsewhere in the financial statements, the Company had no other material transactions with its related parties during the year.			

15. Financial risk management

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

(a) Credit risk

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

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15. Financial risk management (cont'd)

(b) Liquidity risk

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

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

	<i>2014</i>			<i>2013</i>		
	<i>Carrying amount GBP</i>	<i>Total contractual undiscounted cash flows GBP</i>	<i>Within 1 year or on demand GBP</i>	<i>Carrying amount GBP</i>	<i>Total contractual undiscounted cash flows GBP</i>	<i>Within 1 year or on demand GBP</i>
Accruals	<u>8,215</u>	<u>8,215</u>	<u>8,215</u>	<u>22,417</u>	<u>22,417</u>	<u>22,417</u>

(c) Fair values

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