

Company Registration No. 03014472 (England and Wales)

GLOBAL INTERNATIONAL TRADING LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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GLOBAL INTERNATIONAL TRADING LIMITED

COMPANY INFORMATION

Directors	Mr J Albertini Mr M Van Dongen Mr J C Felicita (Appointed 10 February 2017)
Company number	03014472
Registered office	3 Williamsport Way New Lion Barn Industrial Estate Needham Market Ipswich Suffolk IP6 8RW
Auditor	Ensors Accountants LLP Cardinal House 46 St Nicholas Street Ipswich Suffolk IP1 1TT
Business address	3 Williamsport Way New Lion Barn Industrial Estate Needham Market Ipswich Suffolk IP6 8RW

GLOBAL INTERNATIONAL TRADING LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3
Directors' responsibilities statement	4
Independent auditor's report	5 - 6
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11 - 24

GLOBAL INTERNATIONAL TRADING LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present the strategic report for the year ended 31 December 2016.

Fair review of the business

The past 12 months can be summarised as a period of consolidation and continued growth for Global International Trading Limited. The company continued its focus on increasing manufacturing, expanding the product portfolio and improving efficiencies throughout the business. The impact of this work can be seen in the improved margins and profitability of the company this year.

The company is confident that recent developments and plans for the future will help in leading to even better and more prosperous years ahead.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE BUSINESS

Management continually monitor the key risks facing the Company together with assessing the controls used for managing these risks. The board of directors formally reviews and documents the principal risks facing the business at least annually.

The principal risks and uncertainties facing the Company are as follows:

- **Economic downturn** – *The Company acknowledges the importance of maintaining close relationships with its key customers in order to be able to identify the early signs of potential financial difficulties. Sales trends in its major markets are constantly reviewed to enable early action to be taken in the event of sales declining.*
- **Competitor pressure** – *The market in which the Company operates is considered to be relatively competitive, and therefore competitor pressure could result in losing sales to key competitors. The company manages this risk by providing quality products and maintaining strong relationships with its key customers.*
- **Reliance on key suppliers** – *The Company's purchasing activities could expose it to over reliance on certain suppliers and inflationary pricing pressure. The Company manages this risk by ensuring there is enough breadth in its supplier base and by constantly seeking to find potential alternative suppliers that may be used, if necessary.*
- **Loss of key personnel** – *This would present significant operational difficulties for the Company. Management seek to ensure that key personnel are appropriately remunerated to ensure that good performance is recognised.*
- **Exchange Rate Movements** – *The Company acquires a significant level of its stock from overseas suppliers in foreign currency. Movements in the exchange rates between currencies has the potential to impact the costs of the business.*
- **Financial risk management** – *The company adopts the principal policy of financing its working capital through retained earnings and through confidential invoice finance at the prevailing market interest rates.*
The company is exposed to the usual credit and cash flow risk of selling on credit and manages this through strict credit control procedures. By adhering to stringent credit limits, established for each customer, based on a combination of payment history and by utilising the UK's largest credit insurance agency, this risk is minimised.
- **Currency risk** – *With regard to the turnover, the company has a fairly limited exposure to foreign exchange risk, as only 10% is derived from non-sterling accounts. The exposure is certainly more evident with regard to the stock purchases, where a considerable proportion are transacted in US dollars. Payments are handled through a combination of spot and forward currency deals.*

Development and financial performance during the year

As reported in the profit and loss account, Turnover has shown a small increase of 2.7% from £11.3M to £11.6M in the current period. The gross margin has improved from 26.9% to 28.19% despite the significant increased pressure on cost from low currency rates since the Brexit decision in June 2016. The post tax result shows a profit of £189K against last year's loss of £69K.

GLOBAL INTERNATIONAL TRADING LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Key performance indicators

Management use a range of performance measures to monitor and manage the business. The performance measures are split into financial and non-financial key performance indicators as set out below:

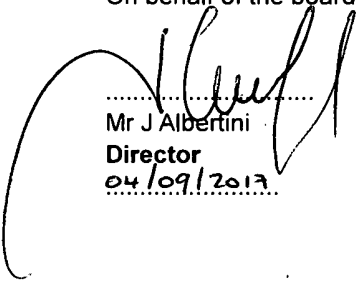
Turnover: The Company is looking to continually grow its revenue year on year
Gross Margin: The Company closely monitors the gross margin % as an indicator to ensure cost are controlled on its key products
Stock Turnover: The Company will monitor its stock turn to ensure stock on hand is always at the correct level

Financial position at the reporting date

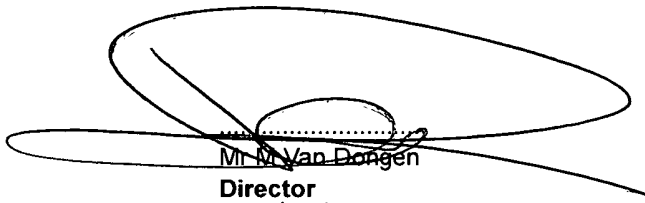
The statement of financial position shows that the Company's net assets at the year-end has remained similar to the prior year at £2.34M compared to £2.15M. The stock holding and debtor position are higher following a strong final quarter of 2016 and gearing up for 2017.

The company generated cash from operations of £195K and invested in £122K in Fixed assets.

On behalf of the board



.....
Mr J Albertini
Director
04/09/2017



.....
Mr M Van Dongen
Director
04/09/2017

GLOBAL INTERNATIONAL TRADING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and financial statements for the year ended 31 December 2016.

Principal activities

The principal activities of the company continued to be those of the manufacture, installation and distribution of window blinds & window blind components.

Directors

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

Mr J Albertini

Mr M Van Dongen

Mr J C Felicita

(Appointed 10 February 2017)

Results and dividends

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

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

Treasury operations and financial instruments

The Company operates a centralised treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the Company's activities. The Company's principal financial instruments include invoice and stock financing, the main purpose of which is to raise finance for the Company's operations. In addition, the Company has various other financial assets and liabilities such as trade receivables and trade payables arising directly from its operations.

Future developments

The directors consider that the forthcoming financial year will be another year of challenging trading conditions. Their aim is to continue to implement the management policies which have been introduced in recent years in relation to increasing turnover and margins. Overall, following the restructuring work that was undertaken in 2015 the directors believe that the Company is well placed in terms of strategic and market position to maximise its ability to generate sales and satisfy customer demand, in spite of the difficult economic conditions currently facing the business.

Auditor

The auditor, Ensors Accountants LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

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 company's auditor 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 company's auditor is aware of that information.

On behalf of the board

Mr J Albertini

Director

04/09/2017

Mr M Van Dongen

Director

04/09/2017

GLOBAL INTERNATIONAL TRADING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

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 company and of the profit or loss of the company 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GLOBAL INTERNATIONAL TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GLOBAL INTERNATIONAL TRADING LIMITED

We have audited the financial statements of Global International Trading Limited for the year ended 31 December 2016 set out on pages 7 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year 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.

Opinion 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 year 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.

GLOBAL INTERNATIONAL TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GLOBAL INTERNATIONAL TRADING LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Ensors Accountants LLP

Barry Gostling (Senior Statutory Auditor)
for and on behalf of Ensors Accountants LLP

21 September 2017

Chartered Accountants
Statutory Auditor

Cardinal House
46 St Nicholas Street
Ipswich
Suffolk
IP1 1TT

GLOBAL INTERNATIONAL TRADING LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Turnover	3	11,630,996	11,324,370
Cost of sales		(8,352,421)	(8,277,653)
Gross profit		3,278,575	3,046,717
Distribution costs		(669,011)	(763,451)
Administrative expenses		(2,273,999)	(2,302,371)
Operating profit/(loss)	4	335,565	(19,105)
Interest payable and similar expenses	7	(100,541)	(68,809)
Profit/(loss) before taxation		235,024	(87,914)
Taxation	8	(46,143)	18,429
Profit/(loss) for the financial year		188,881	(69,485)

The income statement has been prepared on the basis that all operations are continuing operations.

GLOBAL INTERNATIONAL TRADING LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	10		1,287,570		1,300,606
Current assets					
Stocks	11	2,933,151		2,193,026	
Debtors	12	2,014,010		1,859,690	
Cash at bank and in hand		38,494		97,624	
		<u>4,985,655</u>		<u>4,150,340</u>	
Creditors: amounts falling due within one year	13	<u>(3,393,963)</u>		<u>(2,745,954)</u>	
Net current assets			1,591,692		1,404,386
Total assets less current liabilities			2,879,262		2,704,992
Creditors: amounts falling due after more than one year	15		(476,260)		(497,721)
Provisions for liabilities	18		(67,479)		(60,629)
Net assets			<u>2,335,523</u>		<u>2,146,642</u>
Capital and reserves					
Called up share capital	20		5,000		5,000
Profit and loss reserves			2,330,523		2,141,642
Total equity			<u>2,335,523</u>		<u>2,146,642</u>

The financial statements were approved by the board of directors and authorised for issue on 4 September 2017 and are signed on its behalf by:

Mr J Albertini
Director

Mr M Van Dongen
Director

Company Registration No. 03014472

GLOBAL INTERNATIONAL TRADING LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2015		5,000	2,211,127	2,216,127
Year ended 31 December 2015:				
Loss and total comprehensive income for the year		-	(69,485)	(69,485)
Balance at 31 December 2015		5,000	2,141,642	2,146,642
Year ended 31 December 2016:				
Profit and total comprehensive income for the year		-	188,881	188,881
Balance at 31 December 2016		5,000	2,330,523	2,335,523

GLOBAL INTERNATIONAL TRADING LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	24	195,357		330,619	
Interest paid		(100,541)		(68,809)	
Income taxes paid		-		(2,336)	
Net cash inflow from operating activities		<u>94,816</u>		<u>259,474</u>	
Investing activities					
Purchase of tangible fixed assets		(43,137)		(113,971)	
Proceeds on disposal of tangible fixed assets		-		30,472	
Proceeds from other investments and loans		-		(1,134)	
Net cash used in investing activities		<u>(43,137)</u>		<u>(84,633)</u>	
Financing activities					
Repayment of bank loans		(65,148)		(62,668)	
Payment of finance leases obligations		(45,661)		(72,106)	
Net cash used in financing activities		<u>(110,809)</u>		<u>(134,774)</u>	
Net (decrease)/increase in cash and cash equivalents		<u>(59,130)</u>		<u>40,067</u>	
Cash and cash equivalents at beginning of year		97,624		57,557	
Cash and cash equivalents at end of year		<u><u>38,494</u></u>		<u><u>97,624</u></u>	

GLOBAL INTERNATIONAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Global International Trading Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3 Williamsport Way, New Lion Barn Industrial Estate, Needham Market, Ipswich, Suffolk, IP6 8RW.

1.1 Accounting convention

These financial statements have been prepared under the historical cost convention and 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.

1.2 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.

1.3 Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, and is recognised at the invoice date.

Revenue from the sale of goods 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.

1.4 Tangible fixed assets

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

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

Land and buildings Freehold	2% straight line
Plant and machinery	25% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

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 credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting end date, the company 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).

GLOBAL INTERNATIONAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

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 is estimated to be less than its carrying amount, the carrying amount of the asset 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.

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 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 prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials 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.

1.7 Cash and cash equivalents

Cash and cash equivalents 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.

1.8 Financial instruments

The company 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 company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

GLOBAL INTERNATIONAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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 company 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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies that are classified as debt, 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 receipts discounted at a market rate of interest.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

GLOBAL INTERNATIONAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.9 Equity instruments

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

1.10 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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 company'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 income statement, 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 when the company has 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.

GLOBAL INTERNATIONAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.11 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.

1.12 Retirement benefits

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit or loss.

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.14 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.15 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2 Judgements and key sources of estimation uncertainty

In the application of the company'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 INTERNATIONAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

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.

Stock provisioning

The company sells window covering solutions which is subject to changing consumer demands and fashions. As a result it is necessary to consider the recoverability of the cost of the stock and the associated provisioning required. When calculating the provision, management considers the nature and age of the stock as well as applying assumptions around anticipated saleability of stock.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the aging profile of debtors, whether covered by insurance and historical experience.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 £	2015 £
Turnover		
Window covering solutions	11,630,996	11,324,370

Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	11,219,572	10,795,442
Rest of world	411,424	528,928
	11,630,996	11,324,370

4 Operating profit/(loss)

	2016 £	2015 £
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange losses	163,855	93,824
Fees payable to the company's auditor for the audit of the company's financial statements	10,150	9,850
Depreciation of owned tangible fixed assets	117,156	100,924
Depreciation of tangible fixed assets held under finance leases	17,934	36,510
(Profit)/loss on disposal of tangible fixed assets	-	3,123
Operating lease charges	112,851	107,274

GLOBAL INTERNATIONAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

5 Employees

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

	2016 Number	2015 Number
Production staff	92	104
Administration staff	31	34
	<u>123</u>	<u>138</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	2,346,805	2,382,693
Social security costs	186,878	183,775
Pension costs	14,580	20,192
	<u>2,548,263</u>	<u>2,586,660</u>

6 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	152,786	133,416
Company pension contributions to defined contribution schemes	151	-
	<u>152,937</u>	<u>133,416</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2015 - 0).

7 Interest payable and similar expenses

	2016 £	2015 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	96,137	64,634
Interest on finance leases and hire purchase contracts	4,404	4,175
	<u>100,541</u>	<u>68,809</u>

GLOBAL INTERNATIONAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

8 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	39,293	(3,178)
Deferred tax		
Origination and reversal of timing differences	6,850	(15,251)
Total tax charge/(credit)	46,143	(18,429)

The actual charge/(credit) for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit/(loss) before taxation	235,024	(87,914)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)	47,005	(17,803)
Tax effect of expenses that are not deductible in determining taxable profit	668	2,476
Tax effect of utilisation of tax losses not previously recognised	-	3,217
Adjustments in respect of prior years	-	(3,178)
Effect of change in corporation tax rate	(5,172)	-
Depreciation on assets not qualifying for tax allowances	3,642	3,487
Deferred tax adjustments in respect of prior years	-	(6,628)
Taxation for the year	46,143	(18,429)

9 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2016 and 31 December 2016	21,300
Amortisation and impairment	
At 1 January 2016 and 31 December 2016	21,300
Carrying amount	
At 31 December 2016	-
At 31 December 2015	-

GLOBAL INTERNATIONAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

10 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2016	1,093,597	740,749	220,081	5,200	2,059,627
Additions	-	104,686	17,366	-	122,052
At 31 December 2016	1,093,597	845,435	237,447	5,200	2,181,679
Depreciation and impairment					
At 1 January 2016	184,008	447,940	123,448	3,623	759,019
Depreciation charged in the year	18,212	88,486	27,998	394	135,090
At 31 December 2016	202,220	536,426	151,446	4,017	894,109
Carrying amount					
At 31 December 2016	891,377	309,009	86,001	1,183	1,287,570
At 31 December 2015	909,589	292,808	96,632	1,577	1,300,606

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2016 £	2015 £
Plant and machinery	88,244	109,531
Depreciation charge for the year in respect of leased assets	17,934	36,510

11 Stocks

	2016 £	2015 £
Finished goods and goods for resale	2,933,151	2,193,026

12 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	1,580,929	1,594,791
Corporation tax recoverable	3,178	3,178
Other debtors	429,903	261,721
	2,014,010	1,859,690

GLOBAL INTERNATIONAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

13 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Bank loans and overdrafts	16	69,008	65,454
Obligations under finance leases	14	23,783	37,770
Trade creditors		1,155,102	858,338
Amounts due to group undertakings		371,724	41,881
Corporation tax		40,135	842
Other taxation and social security		366,368	290,278
Other creditors		1,367,843	1,451,391
		<u>3,393,963</u>	<u>2,745,954</u>

Bank loans and overdrafts are secured by a fixed and floating charge over the assets of the company.

Obligations under finance leases are secured on the fixed assets to which they relate.

14 Finance lease obligations

	2016 £	2015 £
Future minimum lease payments due under finance leases:		
Within one year	23,783	37,770
In two to five years	58,574	11,333
	<u>82,357</u>	<u>49,103</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is five years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

15 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Bank loans and overdrafts	16	417,686	486,388
Obligations under finance leases	14	58,574	11,333
		<u>476,260</u>	<u>497,721</u>

Bank loans and overdrafts are secured by a fixed and floating charge over the assets of the company.

Obligations under finance leases are secured on the fixed assets to which they relate.

GLOBAL INTERNATIONAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

16 Loans and overdrafts

	2016 £	2015 £
Bank loans	486,694	551,842
Payable within one year	69,008	65,454
Payable after one year	417,686	486,388

The loan is secured by a legal charge over the freehold property of the Company.

The Company obtained a bank loan of £697,500 in 2013 which is repayable in instalments over 5 years. The loan attracts interest at 3.25% over the base rate which is 0.25% at the year end.

17 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £
Balances:		
Accelerated capital allowances	67,479	60,629
Movements in the year:		2016 £
Liability at 1 January 2016		60,629
Charge to profit or loss		6,850
Liability at 31 December 2016		67,479

18 Provisions for liabilities

	Notes	2016 £	2015 £
Deferred tax liabilities	17	67,479	60,629
		67,479	60,629

GLOBAL INTERNATIONAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

19 Retirement benefit schemes

	2016 £	2015 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	14,580	20,192

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

20 Share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
5,000 Ordinary shares of £1 each	5,000	5,000

21 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for certain of its assets. Leases are negotiated for an average term of 3 years.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2015 £
Within one year	73,941	95,197
Between two and five years	106,319	178,224
	180,260	273,421

22 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, including directors, is as follows.

	2016 £	2015 £
Aggregate compensation	220,541	138,416

GLOBAL INTERNATIONAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

22 Related party transactions

(Continued)

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2016	2015	2016	2015
	£	£	£	£
Entities over which the entity has control, joint control or significant influence	107,974	244,173	130,849	19,745

The following amounts were outstanding at the reporting end date:

	2016	2015
	£	£
Amounts owed to related parties		
Entities with control, joint control or significant influence over the company	371,724	41,881
Entities over which the entity has control, joint control or significant influence	58,440	19,745
	430,164	61,626

The following amounts were outstanding at the reporting end date:

	2016	2015
	£	£
Amounts owed by related parties		
Entities over which the entity has control, joint control or significant influence	413,760	283,359
Key management personnel	3,867	3,867
Other related parties	34,409	34,409
	452,036	321,635

The other related parties balance relates to a company under the control of the parent of Global International Trading Limited and a Global International Trading Limited director.

No guarantees have been given or received.

23 Controlling party

At the year end the immediate and ultimate parent company is Global Mergers & Acquisitions Limited, a company registered in England and Wales.

The ultimate controlling parties are considered to be the directors by virtue of their shareholdings in the group.

GLOBAL INTERNATIONAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

24 Cash generated from operations

	2016 £	2015 £
Profit/(loss) for the year after tax	188,881	(69,485)
Adjustments for:		
Taxation charged/(credited)	46,143	(18,429)
Finance costs	100,541	68,809
(Gain)/loss on disposal of tangible fixed assets	-	3,123
Depreciation and impairment of tangible fixed assets	135,090	137,434
Movements in working capital:		
(Increase)/decrease in stocks	(740,125)	442,037
(Increase) in debtors	(154,320)	(285,613)
Increase in creditors	619,147	52,743
Cash generated from operations	<u>195,357</u>	<u>330,619</u>