

Company Registration No. 10646614 (England and Wales)

GLOBAL CAPITAL HOLDINGS LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2020

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GLOBAL CAPITAL HOLDINGS LTD

COMPANY INFORMATION

Directors	Mr F Lalani Mr J Mawji
Company number	10646614
Registered office	Wynyard Park House Wynyard Avenue Wynyard TS22 5TB
Auditor	Azets Audit Services Wynyard Park House Wynyard Avenue Wynyard Billingham TS22 5TB
Bankers	HSBC Bank Plc St Clement Danes W C 2 194 Strand London WC2R 1DX

GLOBAL CAPITAL HOLDINGS LTD

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3
Directors' responsibilities statement	4
Independent auditor's report	5 - 7
Group statement of comprehensive income	8
Group balance sheet	9
Company balance sheet	10
Group statement of changes in equity	11
Company statement of changes in equity	12
Group statement of cash flows	13
Notes to the financial statements	14 - 30

GLOBAL CAPITAL HOLDINGS LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 30 MARCH 2020

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 consistently well during the year despite the reduction in overall property deals it has focused on providing properties to its key clients.

During the year, a number of companies within the group ceased trading, contributing to the reduction in overall group turnover.

Turnover this year was spread over a variety of transactions highlighting the variety of parties that the Group works with.

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.

In addition to the refurbishment costs, during the year, the group has written off a significant bad debt contributing towards the profit reduction.

The group remains in a 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.

GLOBAL CAPITAL HOLDINGS LTD


STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2020

Key performance indicators

The group has reported continuing good results with revenue of £18,640,777 (2019 - £43,971,596) and profit before tax of £120,894 (2019 - £2,923,476).

On behalf of the board



Mr J Mawji
Director

8 March 2021

GLOBAL CAPITAL HOLDINGS LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 MARCH 2020

The directors present their annual report and financial statements for the year ended 30 March 2020.

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 year and up to the date of signature of the financial statements were as follows:

Mr F Lalani

Mr J Mawji

Results and dividends

The results for the year are set out on page 8.

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: 2 March 2021

GLOBAL CAPITAL HOLDINGS LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 MARCH 2020

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

Opinion

We have audited the financial statements of Global Capital Holdings Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 March 2020 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 2020 and of the group's 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.

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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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

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 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.

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 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 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: <https://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

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.

Azets Audit Services

Joanne Regan FCA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

9 March 2021

Chartered Accountants
Statutory Auditor

Wynyard Park House
Wynyard Avenue
Wynyard
Billingham
TS22 5TB

GLOBAL CAPITAL HOLDINGS LTD

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 MARCH 2020

	Notes	2020 £	2019 £
Turnover	3	18,640,777	43,971,596
Cost of sales		(17,192,879)	(40,392,010)
Gross profit		1,447,898	3,579,586
Administrative expenses		(554,082)	(702,448)
Exceptional items	4	(812,657)	-
Operating profit	5	81,159	2,877,138
Interest receivable and similar income	9	60,053	60,098
Interest payable and similar expenses	10	(20,318)	(13,760)
Profit before taxation		120,894	2,923,476
Tax on profit	11	(21,243)	(549,360)
Profit for the financial year		99,651	2,374,116

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

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

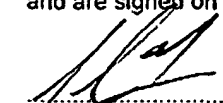
GLOBAL CAPITAL HOLDINGS LTD

GROUP BALANCE SHEET

AS AT 30 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	12		2,305		9,689
Current assets					
Stocks	17	13,000		963,550	
Debtors	18	13,311,152		13,886,605	
Cash at bank and in hand		1,044,422		768,981	
		<u>14,368,574</u>		<u>15,619,136</u>	
Creditors: amounts falling due within one year	19	<u>(7,007,932)</u>		<u>(8,364,126)</u>	
Net current assets			7,360,642		7,255,010
Total assets less current liabilities			<u>7,362,947</u>		<u>7,264,699</u>
Provisions for liabilities					
Deferred tax liability	20	438		1,841	
		<u>438</u>	(438)	<u>1,841</u>	(1,841)
Net assets			<u>7,362,509</u>		<u>7,262,858</u>
Capital and reserves					
Called up share capital	22		4		4
Profit and loss reserves			7,362,505		7,262,854
Total equity			<u>7,362,509</u>		<u>7,262,858</u>

The financial statements were approved by the board of directors and authorised for issue on 8 March 2021 and are signed on its behalf by:


 Mr J Mawji
 Director

GLOBAL CAPITAL HOLDINGS LTD

COMPANY BALANCE SHEET

AS AT 30 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	12		2,305		3,577
Investments	13		101		109
			<u>2,406</u>		<u>3,686</u>
Current assets					
Stocks	17	13,000		607,555	
Debtors	18	13,311,152		13,691,392	
Cash at bank and in hand		1,044,422		659,439	
		<u>14,368,574</u>		<u>14,958,386</u>	
Creditors: amounts falling due within one year	19	<u>(6,984,267)</u>		<u>(9,499,276)</u>	
Net current assets			<u>7,384,307</u>		<u>5,459,110</u>
Total assets less current liabilities			<u>7,386,713</u>		<u>5,462,796</u>
Provisions for liabilities					
Deferred tax liability	20	438		680	
		<u>(438)</u>		<u>(680)</u>	
Net assets			<u><u>7,386,275</u></u>		<u><u>5,462,116</u></u>
Capital and reserves					
Called up share capital	22		4		4
Profit and loss reserves			<u>7,386,271</u>		<u>5,462,112</u>
Total equity			<u><u>7,386,275</u></u>		<u><u>5,462,116</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 £1,924,159 (2019 - £2,396,334 profit).

The financial statements were approved by the board of directors and authorised for issue on 8 March 2021 and are signed on its behalf by:



 Mr J Mavji
 Director

Company Registration No. 10646614

GLOBAL CAPITAL HOLDINGS LTD

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 MARCH 2020

	Share capital £	Profit and loss reserves £	Total £
Balance at 31 March 2018	4	4,888,738	4,888,742
Year ended 30 March 2019:			
Profit and total comprehensive income for the year	-	2,374,116	2,374,116
Balance at 30 March 2019	4	7,262,854	7,262,858
Year ended 30 March 2020:			
Profit and total comprehensive income for the year	-	99,651	99,651
Balance at 30 March 2020	4	7,362,505	7,362,509

GLOBAL CAPITAL HOLDINGS LTD

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 MARCH 2020

	Share capital £	Profit and loss reserves £	Total £
Balance at 31 March 2018	4	3,065,778	3,065,782
Year ended 30 March 2019:			
Profit and total comprehensive income for the year	-	2,396,334	2,396,334
Balance at 30 March 2019	4	5,462,112	5,462,116
Year ended 30 March 2020:			
Profit and total comprehensive income for the year	-	1,924,159	1,924,159
Balance at 30 March 2020	4	7,386,271	7,386,275

GLOBAL CAPITAL HOLDINGS LTD

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 MARCH 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	26	1,727,444		(1,374,860)	
Interest paid		(20,320)		(97)	
Income taxes paid		(1,431,375)		-	
Net cash inflow/(outflow) from operating activities		<u>275,749</u>		<u>(1,374,957)</u>	
Investing activities					
Purchase of tangible fixed assets		(1,144)		(450)	
Receipts arising from loans made		(3)		-	
Interest received		<u>839</u>		<u>2,469</u>	
Net cash (used in)/generated from investing activities			(308)		2,019
Net increase/(decrease) in cash and cash equivalents		<u>275,441</u>		<u>(1,372,938)</u>	
Cash and cash equivalents at beginning of year		<u>768,981</u>		<u>2,141,919</u>	
Cash and cash equivalents at end of year		<u><u>1,044,422</u></u>		<u><u>768,981</u></u>	

GLOBAL CAPITAL HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 MARCH 2020

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 Wyvern 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 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 YEAR ENDED 30 MARCH 2020

1 Accounting policies

(Continued)

The consolidated group financial statements consist of the financial statements of the parent company Global Capital Holdings Ltd together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 30 March 2020. 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.

The Group has a 25% indirect interest in an associate at the balance sheet date. These consolidated accounts do not include the group's share of the associate's losses or liabilities. The subsidiary which owned this associate has been struck off post year end and the shares owned were transferred without any payment or receipt. The Group had no control or involvement with this associate and therefore consolidating these activities would mean the financial statements would not show a true and fair view.

1.3 Going concern

The directors have considered the impact of Covid-19 during the year and due to the nature of the activities they do not believe that there has been any significant impact on income and expenditure during the year and going forward.

On this basis the directors believe that it is appropriate that the accounts continue to be prepared on a going concern basis.

1.4 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.

1.5 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:

Office equipment	33% straight line
Computers	33% straight line

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 YEAR ENDED 30 MARCH 2020

1 Accounting policies

(Continued)

1.6 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.

1.7 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 YEAR ENDED 30 MARCH 2020

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.

1.8 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.

1.9 Cash at bank and in hand

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.

1.10 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 YEAR ENDED 30 MARCH 2020

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

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.

1.11 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.

1.12 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 YEAR ENDED 30 MARCH 2020

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.

1.13 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.

1.14 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 YEAR ENDED 30 MARCH 2020

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

	2020 £	2019 £
Turnover analysed by class of business		
Property sales	18,574,038	43,915,161
Profit share in collaborative projects	63,873	56,435
Other income	2,866	-
	<u>18,640,777</u>	<u>43,971,596</u>
	2020 £	2019 £
Other significant revenue		
Interest income	<u>60,053</u>	<u>60,098</u>

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

GLOBAL CAPITAL HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2020

4 Exceptional item

	2020	2019
	£	£
Expenditure		
Related party balance write off	12,657	-
Third party loan write off	800,000	-
	<u>812,657</u>	<u>-</u>

5 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	8,434	6,133
Loss on disposal of tangible fixed assets	94	-
	<u>8,528</u>	<u>6,133</u>

6 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	18,200	17,000
Audit of the financial statements of the company's subsidiaries	1,000	5,900
	<u>19,200</u>	<u>22,900</u>

7 Employees

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Management and admin	<u>7</u>	<u>9</u>	<u>7</u>	<u>9</u>

GLOBAL CAPITAL HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 MARCH 2020

7 Employees

(Continued)

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	259,583	507,686	259,583	340,086
Social security costs	27,694	56,082	27,694	36,958
Pension costs	1,632	3,165	1,686	2,946
	<u>288,909</u>	<u>566,933</u>	<u>288,963</u>	<u>379,990</u>

8 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	<u>24,000</u>	<u>24,000</u>

9 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	839	2,469
Other interest income	59,214	57,629
Total income	<u>60,053</u>	<u>60,098</u>

10 Interest payable and similar expenses

	2020 £	2019 £
Other interest	<u>20,318</u>	<u>13,760</u>

GLOBAL CAPITAL HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2020

11 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	23,666	550,430
Deferred tax		
Origination and reversal of timing differences	(2,423)	(1,070)
Total tax charge	21,243	549,360

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

	2020 £	2019 £
Profit before taxation	120,894	2,923,476
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	22,970	555,460
Tax effect of expenses that are not deductible in determining taxable profit	9,534	5,040
Tax effect of utilisation of tax losses not previously recognised	-	(190)
Adjustments in respect of prior years	(10)	-
Adjustments in respect of financial assets	(11,251)	(10,950)
Taxation charge	21,243	549,360

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.

GLOBAL CAPITAL HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 MARCH 2020

12 Tangible fixed assets

Group	Office equipment £	Computers £	Total £
Cost			
At 31 March 2019	450	18,217	18,667
Additions	-	1,144	1,144
Disposals	-	(12,709)	(12,709)
At 30 March 2020	450	6,652	7,102
Depreciation and impairment			
At 31 March 2019	100	8,878	8,978
Depreciation charged in the year	150	8,284	8,434
Eliminated in respect of disposals	-	(12,615)	(12,615)
At 30 March 2020	250	4,547	4,797
Carrying amount			
At 30 March 2020	200	2,105	2,305
At 30 March 2019	350	9,339	9,689
Company			
	Office equipment £	Computers £	Total £
Cost			
At 31 March 2019	450	6,073	6,523
Additions	-	1,144	1,144
Disposals	-	(565)	(565)
At 30 March 2020	450	6,652	7,102
Depreciation and impairment			
At 31 March 2019	100	2,846	2,946
Depreciation charged in the year	150	2,172	2,322
Eliminated in respect of disposals	-	(471)	(471)
At 30 March 2020	250	4,547	4,797
Carrying amount			
At 30 March 2020	200	2,105	2,305
At 30 March 2019	350	3,227	3,577

GLOBAL CAPITAL HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2020

13 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	14	-	-	101	109

Movements in fixed asset investments Company

	Shares in group undertakings £
Cost or valuation	
At 31 March 2019	109
Additions	1
Disposals	(9)
At 30 March 2020	101
Carrying amount	
At 30 March 2020	101
At 30 March 2019	109

14 Subsidiaries

Details of the company's subsidiaries at 30 March 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Ensko 1268 Limited	England and Wales	Ordinary	100.00
Global Capital Trading GGG Limited	England and Wales	Ordinary	100.00

15 Associates

Details of associates at 30 March 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct Indirect
Ensko 1260 Limited	England and Wales	Ordinary	- 50
Inmind Healthcare Limited	England and Wales	Ordinary A	- 25

Ensko 1260 Limited is jointly owned by Ensco 1268 Limited and an other party under a 50% joint venture agreement. In turn, Ensco 1260 Limited has a 50% interest in Inmind Healthcare Limited. Ensco 1260 does not trade but is a holding company only to the shareholding of Inmind. As further disclosed in accounting policies 1.2, the groups share of losses and liabilities are not included in there consolidated accounts.

GLOBAL CAPITAL HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2020

16 Financial instruments

	Group 2020 £	2019 £	Company 2020 £	2019 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	13,310,132	13,886,605	n/a	n/a
Carrying amount of financial liabilities				
Measured at amortised cost	6,427,461	6,376,011	n/a	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.

17 Stocks

	Group 2020 £	2019 £	Company 2020 £	2019 £
Pre acquisition property costs	13,000	73,641	13,000	73,641
Properties purchased ready for resale	-	889,909	-	533,914
	13,000	963,550	13,000	607,555

18 Debtors

	Group 2020 £	2019 £	Company 2020 £	2019 £
Amounts falling due within one year:				
Amounts owed by group undertakings	-	-	-	71,066
Other debtors	11,097,674	11,733,361	11,097,674	11,467,082
	11,097,674	11,733,361	11,097,674	11,538,148
Deferred tax asset (note 20)	1,020	-	1,020	-
	11,098,694	11,733,361	11,098,694	11,538,148
Amounts falling due after more than one year:				
Amount owed by related parties	2,212,458	2,153,244	2,212,458	2,153,244
Total debtors	13,311,152	13,886,605	13,311,152	13,691,392

GLOBAL CAPITAL HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2020

19 Creditors: amounts falling due within one year

	Group 2020 £	2019 £	Company 2020 £	2019 £
Trade creditors	552,592	658,937	552,592	634,479
Amounts owed to group undertakings	-	-	1	2,235,358
Corporation tax payable	579,977	1,987,688	556,311	1,382,882
Other taxation and social security	494	427	494	373
Other creditors	4,951,830	5,581,781	4,951,830	5,156,518
Accruals and deferred income	923,039	135,293	923,039	89,666
	<u>7,007,932</u>	<u>8,364,126</u>	<u>6,984,267</u>	<u>9,499,276</u>

20 Deferred taxation

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

	Liabilities 2020 £	Liabilities 2019 £	Assets 2020 £	Assets 2019 £
Group				
Accelerated capital allowances	438	1,841	-	-
Tax losses	-	-	926	-
Retirement benefit obligations	-	-	94	-
	<u>438</u>	<u>1,841</u>	<u>1,020</u>	<u>-</u>

	Liabilities 2020 £	Liabilities 2019 £	Assets 2020 £	Assets 2019 £
Company				
Accelerated capital allowances	438	680	-	-
Tax losses	-	-	926	-
Retirement benefit obligations	-	-	94	-
	<u>438</u>	<u>680</u>	<u>1,020</u>	<u>-</u>

	Group 2020 £	Company 2020 £
Movements in the year:		
Liability at 31 March 2019	1,841	680
Credit to profit or loss	(2,423)	(1,262)
Asset at 30 March 2020	<u>(582)</u>	<u>(582)</u>

GLOBAL CAPITAL HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 MARCH 2020

20 Deferred taxation

(Continued)

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 trade.

The deferred tax liability set out above is expected to reverse over the period fixed assets are depreciated and relates to accelerated capital allowances on those assets.

21 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	1,632	3,165

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.

22 Share capital

	Group and company	
	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
4 ordinary shares of £1 each	4	4

23 Related party transactions

Remuneration of key management personnel

There are no key management personnel other than the directors. Directors' remuneration is fully disclosed in note 8 to the financial statements.

Transactions with related parties

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

	Profit share in collaborative projects		Care contribution and fit out costs	
	2020	2019	2020	2019
	£	£	£	£
Group				
Other related parties	19,931	130,037	2,008,050	3,502,216
Company				
Other related parties	19,931	130,037	1,852,447	3,238,893

GLOBAL CAPITAL HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2020

23 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2020 £	2019 £
Group		
Key management personnel	2,062,310	2,065,505
Other related parties	500,057	1,042,531
	<u>2,562,367</u>	<u>3,108,036</u>
Company		
Key management personnel	2,062,310	1,707,803
Other related parties	500,057	500,000
	<u>2,562,367</u>	<u>2,207,803</u>

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2020 Balance £	2019 Balance £
Group		
Other related parties	11,510,007	13,621,375
	<u>11,510,007</u>	<u>13,621,375</u>
Company		
Other related parties	11,510,007	13,275,902
	<u>11,510,007</u>	<u>13,275,902</u>

24 Directors' transactions

At the balance sheet date £2,062,310 (2019 - £2,063,505) was owed to the directors. These are interest free loans and are repayable on demand.

25 Controlling party

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

GLOBAL CAPITAL HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2020

26 Cash generated from/(absorbed by) group operations

	2020 £	2019 £
Profit for the year after tax	99,651	2,374,116
Adjustments for:		
Taxation charged	21,243	549,360
Finance costs	20,318	13,760
Investment income	(839)	(2,469)
Loss on disposal of tangible fixed assets	94	-
Depreciation and impairment of tangible fixed assets	8,434	6,133
Movements in working capital:		
Decrease in stocks	950,550	1,744,032
Decrease/(increase) in debtors	576,476	(7,904,374)
Increase in creditors	51,517	1,844,582
Cash generated from/(absorbed by) operations	1,727,444	(1,374,860)

27 Analysis of changes in net funds - group

	31 March 2019 £	Cash flows £	30 March 2020 £
Cash at bank and in hand	768,981	275,441	1,044,422