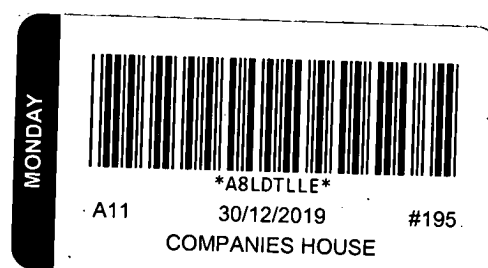


Registration number: 06719888

GV Showrooms Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2019



GV Showrooms Limited

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GV Showrooms Limited

Company Information

Director	J W B Wolfram
Registered office	Rowan House North 1 The Professional Quarter Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG
Auditors	CBSL Accountants Limited Chartered Accountants and Statutory Auditor Rowan House North 1 The Professional Quarter Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG

GV Showrooms Limited

Strategic Report for the Year Ended 31 March 2019

The director presents his strategic report for the year ended 31 March 2019.

Principal activity

The principal activity of the company is the provision of consultancy services.

Fair review of the business

The company has continued to develop its core services delivered through its trading entities based in Hong Kong.

The key financial and other performance indicators during the year were as follows:

The group's core business has continued to grow during 2018/19, with overall turnover increasing by 2%. The group have focused on direct-to-consumer sales through the use of new media and marketing channels and increasing the turnover in the main trading quarter to 31 December. This resulted in the quarter ended 31 December 2018 being highly successful and generating an increase of 78% in direct-to-consumer sales compared to the same quarter in the prior year.

The group profit before tax remained positive. The main trading subsidiary, Galton Voysey Limited, continued to take advantage of a considerable investment in trialling various advertising methods.

Group cash at bank was maintained at a consistent level with the prior year. The group has a healthy balance sheet with sufficient cash at bank and working capital for inventory and day to day operations. The group plan to use the cash at bank conservatively in the acquisition of new brands.

Principal risks and uncertainties

The director and senior management continue to monitor risks affecting the group and its trading environment.

The principal risks and uncertainties facing the group are broadly grouped as - competitive risk, advertising risk and production risk.

Competitive Risks

The group faces increasing competition online. Staying ahead will require constant innovation and a quick response to market changes. The Galton Voysey brands have loyal customers, but beyond that we rely on know-how and analysis of customer data to stay ahead of the marketplace.

Advertising Risk

Our biggest risk relates to changes in the price of Facebook advertising. As we are highly dependent on Facebook for our advertising, any sudden increases in price, drops in response or a change in algorithms may have dire effects on our business. We continually monitor our advertising activities, strive to achieve new ways of reaching existing and potential consumers and ensure we remain at the forefront of online as well as other mediums of advertising.

GV Showrooms Limited

Strategic Report for the Year Ended 31 March 2019

Principal risks and uncertainties (continued)

Production Risk

We face further risks from the production capacity of our third party contract manufacturers - if we are unable to produce the products that we aim to sell at volume, our results will be greatly affected. We diversify our product lines through a range of manufacturers in various locations to minimise the risk wherever we can.

Approved by the director on 19 December 2019 and signed on its behalf by:



.....
J W B Wolfram
Director

GV Showrooms Limited

Director's Report for the Year Ended 31 March 2019

The director presents his report and the financial statements for the year ended 31 March 2019.

Director of the company

The director who held office during the year was as follows:

J W B Wolfram

Financial instruments

Objectives and policies

The director and senior management team monitor the group's financial risk to protect its trading companies from events that may hinder the achievement of the group's performance objectives. The group objectives are to ensure sufficient working capital exists to continue to expand its brand portfolio and meet product demand. The financial instruments used by the group include cash at bank balances, deposits, lending between group companies and trade payables.

Disclosure of information to the auditors

The director has taken steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information. The director confirms that there is no relevant information that he knows of and of which he knows the auditors are unaware.

Approved by the director on 19 December 2019 and signed on its behalf by:



.....
J W B Wolfram
Director

GV Showrooms Limited

Statement of Director's Responsibilities

The director acknowledges his responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

GV Showrooms Limited

Independent Auditor's Report to the Members of GV Showrooms Limited

Opinion

We have audited the financial statements of GV Showrooms Limited (the 'company') for the year ended 31 March 2019, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, 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 Financial Reporting Standard 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 company's affairs as at 31 March 2019 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.

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 company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

GV Showrooms Limited

Independent Auditor's Report to the Members of GV Showrooms Limited

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Director's Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Director's 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.

Responsibilities of the director

As explained more fully in the Statement of Director's Responsibilities [set out on page 5], the director is 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 director determines 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 director is responsible for assessing the 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 director either intends 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.

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

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

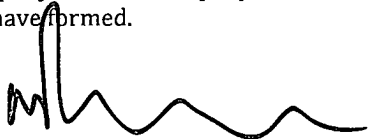
GV Showrooms Limited

Independent Auditor's Report to the Members of GV Showrooms Limited

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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

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.



.....
Adrian Barker BA FCA (Senior Statutory Auditor)
For and on behalf of CBSL Accountants Limited, Statutory Auditor

Rowan House North
1 The Professional Quarter
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Date:.....

23/12/19

GV Showrooms Limited

Profit and Loss Account for the Year Ended 31 March 2019

	Note	2019 £	2018 £
Turnover	3	-	57,372
Cost of sales		<u>-</u>	<u>(42,006)</u>
Gross profit		-	15,366
Administrative expenses		<u>(3,903)</u>	<u>(6,076)</u>
Operating (loss)/profit		<u>(3,903)</u>	<u>9,290</u>
Gain on financial assets at fair value through profit and loss account		4,462,198	5,396,189
Other interest receivable and similar income	4	1,986,866	-
Interest payable and similar expenses	5	<u>10,220</u>	<u>(12,294)</u>
		<u>6,459,284</u>	<u>5,383,895</u>
Profit before tax		6,455,381	5,393,185
Taxation	7	<u>-</u>	<u>5,043</u>
Profit for the financial year		<u><u>6,455,381</u></u>	<u><u>5,398,228</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

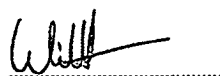
GV Showrooms Limited

(Registration number: 06719888)

Balance Sheet as at 31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	8	9,867,336	5,405,138
Current assets			
Debtors	9	87,804	55,899
Cash at bank and in hand		<u>166,871</u>	<u>207,033</u>
		254,675	262,932
Creditors: Amounts falling due within one year	11	<u>(104,706)</u>	<u>(119,280)</u>
Net current assets		<u>149,969</u>	<u>143,652</u>
Net assets		<u>10,017,305</u>	<u>5,548,790</u>
Capital and reserves			
Called up share capital	12	204,579	204,579
Profit and loss account		<u>9,812,726</u>	<u>5,344,211</u>
Total equity		<u>10,017,305</u>	<u>5,548,790</u>

Approved and authorised by the director on 19 December 2019



J W B Wolfram
Director

The notes on pages 13 to 18 form an integral part of these financial statements.

GV Showrooms Limited

Statement of Changes in Equity for the Year Ended 31 March 2019

	Share capital £	Profit and loss account £	Total £
At 1 April 2018	204,579	5,344,211	5,548,790
Profit for the year	-	6,455,381	6,455,381
Total comprehensive income	-	6,455,381	6,455,381
Dividends	-	(1,986,866)	(1,986,866)
At 31 March 2019	<u>204,579</u>	<u>9,812,726</u>	<u>10,017,305</u>
	Share capital £	Profit and loss account £	Total £
At 1 April 2017	204,579	(54,017)	150,562
Profit for the year	-	5,398,228	5,398,228
Total comprehensive income	-	5,398,228	5,398,228
At 31 March 2018	<u>204,579</u>	<u>5,344,211</u>	<u>5,548,790</u>

The notes on pages 13 to 18 form an integral part of these financial statements.

GV Showrooms Limited

Statement of Cash Flows for the Year Ended 31 March 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Profit for the year		6,455,381	5,398,228
Adjustments to cash flows from non-cash items			
Profit adjustment to fair value of investments		(4,462,198)	(5,396,189)
Finance income	4	(1,986,866)	-
Income tax expense	7	<u>-</u>	<u>(5,043)</u>
		6,317	(3,004)
Working capital adjustments			
Increase in trade debtors	9	(31,905)	(19,329)
Decrease in trade creditors	11	<u>(14,574)</u>	<u>(22,797)</u>
Net cash flow from operating activities		<u>(40,162)</u>	<u>(45,130)</u>
Net decrease in cash and cash equivalents		(40,162)	(45,130)
Cash and cash equivalents at 1 April		<u>207,033</u>	<u>252,163</u>
Cash and cash equivalents at 31 March		<u><u>166,871</u></u>	<u><u>207,033</u></u>

The notes on pages 13 to 18 form an integral part of these financial statements.

GV Showrooms Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Rowan House North
1 The Professional Quarter
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

These financial statements were authorised for issue by the director on 19 December 2019.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Group accounts not prepared

The company has taken advantage of the exemption in section 405 of the Companies Act 2006 from the requirement to prepare consolidated financial statements, on the grounds that its investments are held exclusively for resale.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Foreign currency transactions and balances

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

GV Showrooms Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

Tax

The tax expense for the period comprises tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2019 £	2018 £
Sale of goods	<u>-</u>	<u>57,372</u>

4 Other interest receivable and similar income

	2019 £	2018 £
Dividend income	<u>1,986,866</u>	<u>-</u>

5 Interest payable and similar expenses

	2019 £	2018 £
Foreign exchange (gains) / losses	<u>(10,220)</u>	<u>12,294</u>

6 Auditors' remuneration

	2019 £	2018 £
Audit of the financial statements	<u>2,625</u>	<u>2,625</u>

GV Showrooms Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

7 Taxation

Tax charged/(credited) in the income statement

	2019 £	2018 £
Current taxation		
UK corporation tax adjustment to prior periods	<u>-</u>	<u>(5,043)</u>

8 Investments in subsidiaries, joint ventures and associates

	2019 £	2018 £
Investments in subsidiaries	<u>9,867,336</u>	<u>5,405,138</u>

Subsidiaries

Fair value

	£
At 1 April 2018	5,405,138
Fair value adjustments	<u>4,462,198</u>
At 31 March 2019	<u>9,867,336</u>

Fair value has been determined by use of an appropriate growth model and discount factor that takes account of the growth of the business, its forecast income streams and presence in the global marketplace.

GV Showrooms Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

Details of undertakings

Details of the investments in which the company or subsidiary companies hold 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2019	2018
Subsidiary undertakings				
Galton Voysey Limited	Hong Kong	Ordinary	100%	100%
United Quality Distributors Inc		Ordinary	100%	100%
	US			
GV Finland Oy	Finland	Ordinary	100%	100%
		Ordinary	100%	100%
IPIF Limited	Hong Kong	Ordinary	100%	100%
		Ordinary	100%	100%
Kamikoto Hong Kong Limited	Hong Kong	Ordinary	100%	100%
		Ordinary	100%	100%
Kamikoto Japan Limited	Japan	Ordinary	100%	100%
		Ordinary	100%	100%

The principal activity of Galton Voysey Limited is building, buying and developing consumer product brands.

The principal activity of United Quality Distributors Inc is the distribution of products.

The principal activity of GV Finland Oy is the supply of management services.

The principal activity of IPIF Limited is dormant.

The principal activity of Kamikoto Hong Kong Limited is an investment holding company.

The principal activity of Kamikoto Japan Limited is the provision and procurement of customer relationship services.

Details of the group subsidiaries and the results of the material subsidiaries for the year are included in the financial statements of the parent company, GV Capital Limited, which are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

GV Showrooms Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

9 Debtors

	Note	2019 £	2018 £
Trade debtors		24,959	36,435
Amounts owed by related parties	14	43,148	-
Other debtors		<u>19,697</u>	<u>19,464</u>
Total current trade and other debtors		<u>87,804</u>	<u>55,899</u>

10 Cash and cash equivalents

	2019 £	2018 £
Cash at bank	<u>166,871</u>	<u>207,033</u>

11 Creditors

	Note	2019 £	2018 £
Due within one year			
Trade creditors		-	3,263
Amounts due to related parties	14	102,056	113,392
Accrued expenses		<u>2,650</u>	<u>2,625</u>
		<u>104,706</u>	<u>119,280</u>

12 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary of £1 each	<u>204,579</u>	<u>204,579</u>	<u>204,579</u>	<u>204,579</u>

13 Dividends

Final dividends paid

	2019 £	2018 £
Final dividend of £9.71 (2018 - £0) per each Ordinary share	<u>1,986,866</u>	<u>-</u>

GV Showrooms Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

14 Related party transactions

Income and receivables from related parties

	Subsidiary £
2019	
Amounts receivable from related party	<u>43,140</u>

Expenditure with and payables to related parties

	Parent £
2019	
Amounts payable to related party	<u>102,056</u>

	Parent £	Subsidiary £
2018		
Amounts payable to related party	<u>112,896</u>	<u>496</u>

At 31 March 2019 the company had balances due from related parties which the director is also director of totalling £44,368 (2018 - £55,844).

15 Parent and ultimate parent undertaking

The company's immediate parent is GV Capital Limited, incorporated in England and Wales.

These financial statements are available upon request from Companies House, Crown Way, Cardiff, CF14 3UZ.