

Registration number: 06719888

GV Showrooms Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2020



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 2020

The director presents his strategic report for the year ended 31 March 2020.

Principal activity

The principal activity of the company is that of a holding company.

Fair review of the business

During the year, the company 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 continued to focus on direct-to-consumer sales through the use of new media and marketing channels throughout the year. In March 2020 the company sold its main trading subsidiary, Galton Voysey Limited, to DealDash OYJ.

The company's profit before tax remained positive for the year ended 31 March 2020. The company has a healthy balance sheet with sufficient cash at bank and working capital for its day to day operations.

Principal risks and uncertainties

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

The principal risks and uncertainties facing the company are broadly grouped as follows -

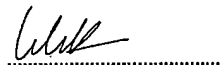
Growth Risks

With the sale of its main trading subsidiary during the year, the company faces uncertainties in the next year in seeking and potentially acquiring another subsidiary to generate significant revenue and profit for the group.

Currency Risks

The company manages its currency risk in order to ensure that it is not exposed to significant currency fluctuations, mainly through matching assets and liabilities denominated in foreign currencies.

Approved by the director on 4 January 2021 and signed on its behalf by:



J W B Wolfram
Director

GV Showrooms Limited

Director's Report for the Year Ended 31 March 2020

The director presents his report and the financial statements for the year ended 31 March 2020.

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 it 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 4 January 2021 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 2020, 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 2020 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 4], 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.

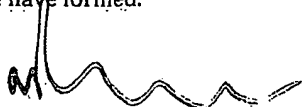
GV Showrooms Limited

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: 4 January 2021

GV Showrooms Limited

Profit and Loss Account for the Year Ended 31 March 2020

	Note	2020 £	2019 £
Turnover		-	-
Administrative expenses		<u>(534,769)</u>	<u>(3,903)</u>
Operating loss		<u>(534,769)</u>	<u>(3,903)</u>
Gain on financial assets at fair value through profit and loss account		-	4,462,198
Other interest receivable and similar income	4	2,530,248	1,986,866
Interest payable and similar expenses	5	<u>2,474</u>	<u>10,220</u>
		<u>2,532,722</u>	<u>6,459,284</u>
Profit before tax		<u>1,997,953</u>	<u>6,455,381</u>
Profit for the financial year		<u><u>1,997,953</u></u>	<u><u>6,455,381</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 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	7	-	9,867,336
Other financial assets	9	<u>7,022,093</u>	<u>-</u>
		<u>7,022,093</u>	<u>9,867,336</u>
Current assets			
Debtors	10	80,116	87,804
Cash at bank and in hand		<u>5,021,089</u>	<u>166,871</u>
		5,101,205	254,675
Creditors: Amounts falling due within one year	12	<u>(5,032,415)</u>	<u>(104,706)</u>
Net current assets		<u>68,790</u>	<u>149,969</u>
Net assets		<u>7,090,883</u>	<u>10,017,305</u>
Capital and reserves			
Called up share capital	13	204,579	204,579
Profit and loss account		<u>6,886,304</u>	<u>9,812,726</u>
Total equity		<u>7,090,883</u>	<u>10,017,305</u>

Approved and authorised by the director on 4 January 2021



J W B Wolfram
Director

GV Showrooms Limited

Statement of Changes in Equity for the Year Ended 31 March 2020

	Share capital £	Profit and loss account £	Total £
At 1 April 2019	204,579	9,812,726	10,017,305
Profit for the year	-	1,997,953	1,997,953
Total comprehensive income	-	1,997,953	1,997,953
Dividends	-	(4,924,375)	(4,924,375)
At 31 March 2020	204,579	6,886,304	7,090,883
	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	204,579	9,812,726	10,017,305

GV Showrooms Limited

Statement of Cash Flows for the Year Ended 31 March 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Profit for the year		1,997,953	6,455,381
Adjustments to cash flows from non-cash items			
Profit adjustment to fair value of investments	3	-	(4,462,198)
Gain (loss) from disposals of investments		496,131	-
Finance income	4	<u>(2,530,248)</u>	<u>(1,986,866)</u>
		(36,164)	6,317
Working capital adjustments			
Decrease/(increase) in trade debtors	10	7,688	(31,905)
Increase/(decrease) in trade creditors	12	<u>4,927,709</u>	<u>(14,574)</u>
Net cash flow from operating activities		<u>4,899,233</u>	<u>(40,162)</u>
Cash flows from investing activities			
Proceeds from sale of subsidiaries		9,371,205	-
Advances of loans, classified as investing activities		(7,022,093)	-
Dividend income	4	<u>(2,394,127)</u>	<u>-</u>
Net cash flows from investing activities		<u>(45,015)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		4,854,218	(40,162)
Cash and cash equivalents at 1 April		<u>166,871</u>	<u>207,033</u>
Cash and cash equivalents at 31 March		<u><u>5,021,089</u></u>	<u><u>166,871</u></u>

The notes on pages 12 to 17 form an integral part of these financial statements.

GV Showrooms Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

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 4 January 2021.

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.

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.

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.

GV Showrooms Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

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.

Financial instruments

Classification

Non-current financial assets represent long term loan notes issued.

Recognition and measurement

Loans are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment.

3 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2020 £	2019 £
Gain (loss) from disposals of investments	(496,131)	-
Gain/loss on financial assets at fair value through profit and loss account	-	4,462,198
	<u>(496,131)</u>	<u>4,462,198</u>

4 Other interest receivable and similar income

	2020 £	2019 £
Dividend income	<u>2,530,248</u>	<u>1,986,866</u>

5 Interest payable and similar expenses

	2020 £	2019 £
Foreign exchange (gains) / losses	<u>(2,474)</u>	<u>(10,220)</u>

6 Auditors' remuneration

	2020 £	2019 £
Audit of the financial statements	<u>2,200</u>	<u>2,625</u>

GV Showrooms Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

7 Investments in subsidiaries, joint ventures and associates

	2020 £	2019 £
Investments in subsidiaries	<u>-</u>	<u>9,867,336</u>

Subsidiaries

Fair value

At 1 April 2019

9,867,336

Disposals

(9,867,336)

At 31 March 2020

-

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.

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	
			2020	2019
Subsidiary undertakings				
Galton Voysey Limited	Hong Kong	Ordinary	0%	100%
United Quality Distributors Inc		Ordinary	0%	100%
GV Finland Oy	US	Ordinary	0%	100%
	Finland	Ordinary	0%	100%
IPIF Limited	Hong Kong	Ordinary	0%	100%
Kamikoto Limited		Ordinary	0%	100%
Kamikoto Japan	Japan	Ordinary	0%	100%

GV Showrooms Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

8 Disposal of subsidiary

On 16 March 2020, the company disposed of its interest in Galton Voysey Limited and its subsidiaries. The gain/(loss) on disposal of Galton Voysey Limited and its subsidiaries was £(561,984). Galton Voysey Limited and its subsidiaries contributed £- to the company profit/(loss).

9 Other financial assets (current and non-current)

	Financial assets at amortised cost £	Total £
Non-current financial assets		
Cost or valuation		
Additions	<u>7,022,093</u>	<u>7,022,093</u>
At 31 March 2020	<u>7,022,093</u>	<u>7,022,093</u>
Impairment		
Carrying amount		
At 31 March 2020	<u><u>7,022,093</u></u>	<u><u>7,022,093</u></u>

Non-current financial assets are two US \$ denominated loans issued during the period.

Loan 1 of \$5,728,251.05 is repayable in equal instalments over 48 months and accruing interest at 6.5% per annum.

Loan 2 of \$3,000,000 is treated as a capital loan for the borrower and is subject to no fixed repayment terms. Interest accrues at 5.5% per annum. The lender has been granted 30,000 special rights to acquire shares of the borrower on 31 July 2023 or thereafter for EUR129.53 up to the outstanding loan value and interest accrued.

GV Showrooms Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

10 Debtors

	Note	2020 £	2019 £
Trade debtors		-	24,959
Amounts owed by related parties	15	-	43,148
Other debtors		<u>80,116</u>	<u>19,697</u>
Total current trade and other debtors		<u><u>80,116</u></u>	<u><u>87,804</u></u>

11 Cash and cash equivalents

	2020 £	2019 £
Cash at bank	<u>5,021,089</u>	<u>166,871</u>

12 Creditors

	Note	2020 £	2019 £
Due within one year			
Amounts due to related parties	15	5,029,790	102,056
Accrued expenses		<u>2,625</u>	<u>2,650</u>
		<u><u>5,032,415</u></u>	<u><u>104,706</u></u>

13 Share capital

Allotted, called up and fully paid shares

	2020 No.	£	2019 No.	£
Ordinary of £1 each	<u>204,579</u>	<u>204,579</u>	<u>204,579</u>	<u>204,579</u>

14 Dividends

Final dividends paid

	2020 £	2019 £
Final dividend of £24.07 (2019 - £9.71) per each Ordinary share	<u>4,924,375</u>	<u>1,986,866</u>

GV Showrooms Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

15 Related party transactions

Summary of transactions with parent

GV Capital Limited

Expenditure with and payables to related parties

2020

Amounts payable to related party

Parent
£

5,029,790

2019

Amounts payable to related party

Parent
£

102,056

At 31 March 2020 the company had balances due from related parties which the director is also director of totalling £77,066 (2019 - £44,368).

16 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.