

Global IT Solutions Limited
Annual report and financial statements
For the year ended 31st December 2015

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For the year ended 31st December 2015

Contents

	Page
Director's report	1 – 2
Independent auditor's report	3 – 4
Income statement	5
Balance sheet	6
Statement of changes in equity	7
Cash flow statement	8
Notes to the financial statements	9 – 15

Director's report

For the year ended 31st December 2015

The director presents her report and the audited financial statements of Global IT Solutions Limited ("the company") for the year ended 31st December 2015.

Principal activities

The principal activity of the company is to undertake the business of information technology consultants and relative IT services.

Performance review

The company incurred a loss for the year amounting to €466. As at 31 December 2015 the Company reported a negative net asset position amounting to €65,807.

Going concern

During the year ended 31st December 2015 the company's total liabilities exceeded total assets by €65,807. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The effect of such uncertainty will be mitigated by the ultimate beneficial owners' willingness, indicated in writing, to support the company to enable it to meet its obligations as they fall due.

Results and dividends

The loss for the year after taxation amounted to €466. The director does not recommend the payment of a final dividend.

Director

The following has served as director of the company during the year under review, and the respective shareholding, if applicable:

Claire Zarb – holder of 375 ordinary shares

In accordance with the company's Articles of Association, the present director is to remain in office.

Director's responsibilities

The Maltese Companies Act, 1995 requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that year. In preparing those financial statements, the director is required to:

- adopt the going concern basis unless it is inappropriate to presume that the company will continue in business;

Director's report (continued)

Director's responsibilities (continued)

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting year on the accruals basis;
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those of the preceding accounting year.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements have been properly prepared in accordance with the Maltese Companies Act, 1995. 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.

Financial reporting framework

The director has resolved to prepare the company's financial statements for the year ending 31st December 2015 in accordance with the Accountancy Profession (General Accounting Principles for Smaller Entities) Regulations, 2009 and the Schedule accompanying and forming an integral part of those Regulations.

Auditor

Mr. Kenneth Swain has intimated his willingness to continue in office. A proposal to reappoint Mr. Kenneth Swain as auditor of the company will be put to the General Meeting.



Claire Zarb
Director

Registered address:
Level 1, Suite No.5, Tower Business Centre,
Tower Street,
Swatar
Malta

23rd January 2016

Independent auditor's report

To the members of Global IT Solutions Limited

I have audited the accompanying financial statements of Global IT Solutions Limited ("the company") which consist of the balance sheet as at 31st December 2015, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Director's responsibility for the financial statements

As also described in the statement of director's responsibilities on pages 1 and 2, the director is responsible for the preparation and fair presentation of these financial statements in accordance with the Accountancy Profession (General Accounting Principles for Smaller Entities) Regulations, 2009 and the Schedule accompanying and forming an integral part of those Regulations, 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.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Global IT Solutions Limited as of 31st December 2015, and of its financial performance and its cash flows for the year then ended in accordance with Accountancy Profession (General Accounting Principles for Smaller Entities) Regulations, 2009 and the Schedule accompanying and forming an integral part of those Regulations.

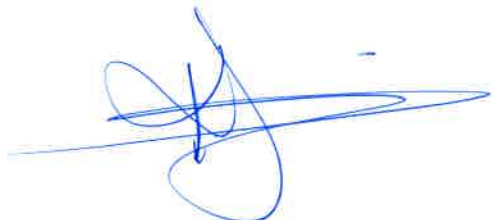
Emphasis of matter

I draw attention to note 2 in the financial statements which indicates that the company incurred a loss of €466 during the year ended 31st December 2015 as of that date, the company's total liabilities exceeded its total assets by €65,807. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern, and note 2 specifies what remedial action is being adopted by the director. My opinion is not qualified in respect of this matter.

Independent auditor's report (continued)

Report on other legal and regulatory requirements

In my opinion, the financial statements have been properly prepared in accordance with the Maltese Companies Act, 1995, which permits compliance with the Accountancy Profession (General Accounting Principles for Smaller Entities) Regulations, 2009 and the Schedule accompanying and forming an integral part of those Regulations, for qualifying entities as prescribed in those regulations.



Kenneth Swain
Certified Public Accountant

15, Flat 1
Triq San Gakbu
Xghajra
Malta

23rd January 2016

Global IT Solutions Limited**5****Income statement**For the year ended 31st December 2015

	Note	2015 €	2014 €
Administrative expenses		<u>(466)</u>	<u>(1,575)</u>
Loss before tax	3	(466)	(1,575)
Income tax expense	4	<u>-</u>	<u>-</u>
Loss for the year		(466)	(1,575)

Global IT Solutions Limited**6****Balance sheet**As at 31st December 2015

	Note	2015 €	2014 €
Assets			
Non-current assets			
Property, plant and equipment	5	268	434
Total non-current assets		268	434
Current assets			
Cash at bank and in hand		12	105
Total current assets		12	105
Total assets		280	539
Equity and liabilities			
Equity			
Share capital	6.1	408	408
Retained earnings	6.2	(66,215)	(65,749)
Total equity		(65,807)	(65,341)
Non-current liabilities			
Amount due to shareholders	7	58,824	54,234
Current liabilities			
Trade and other payables	8	7,263	11,646
Total liabilities		66,087	65,880
Total equity and liabilities		280	539

The financial statements on pages 5 to 15 were approved and signed by the director on 23rd January 2016.



Claire Zarb
Director

Global IT Solutions Limited
Statement of changes in equity
For the year ended 31st December 2015

7

	Share capital €	Retained earnings €	Total €
At 1st January 2014	408	(64,174)	(63,766)
Loss for the year	-	(1,575)	(1,575)
	<hr/>	<hr/>	<hr/>
At 31st December 2014	408	(65,749)	(65,341)
	<hr/>	<hr/>	<hr/>
At 1st January 2015	408	(65,749)	(65,341)
Loss for the year	-	(466)	(466)
	<hr/>	<hr/>	<hr/>
At 31st December 2015	408	(66,215)	(65,807)
	<hr/>	<hr/>	<hr/>

Global IT Solutions Limited**8****Cash flow statement**For the year ended 31st December 2015

	Note	2015 €	2014 €
Cash flows from operating activities			
Loss before taxation		(466)	(1,575)
Adjustments for:			
Depreciation		166	166
		<u> </u>	<u> </u>
Loss for the year before working capital changes		(300)	(1,409)
		<u> </u>	<u> </u>
Change in receivables		-	1,040
Change in payables		(4,383)	(4,649)
		<u> </u>	<u> </u>
Cash used in operations		(4,683)	(5,018)
		<u> </u>	<u> </u>
<i>Net cash used in operating activities</i>		(4,683)	(5,018)
		<u> </u>	<u> </u>
Cash flows from financing activities			
Funds advanced by shareholder		4,590	4,544
		<u> </u>	<u> </u>
<i>Net cash generated from financing activities</i>		4,590	4,544
		<u> </u>	<u> </u>
Net (decrease) in cash and cash equivalents		(93)	(474)
Cash and cash equivalents at beginning of year		105	579
		<u> </u>	<u> </u>
Cash and cash equivalents at end of year	9	12	105
		<u> </u>	<u> </u>

1 Basis of preparation

1.1 Statement of compliance

The financial statements of Global IT Solutions Limited (“the company”) have been prepared in accordance with the Accountancy Profession (General Accounting Principles for Smaller Entities) Regulations, 2009 and the Schedule accompanying and forming an integral part of those Regulations (“GAPSE”).

1.2 Basis of measurement

The financial statements are prepared on the historical cost basis.

1.3 Functional and presentation currency

The financial statements are presented in Euro (€), which is the company’s functional currency.

2 Significant accounting policies

2.1 Borrowing costs

Borrowings costs are recognised as an expense in profit or loss in the year in which they are incurred.

2.2 Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that the tax arises from a transaction or event which is recognised directly in equity, in which case it is recognised in equity.

Current tax is based on the taxable profit for the year, as determined in accordance with tax laws, and measured using tax rates, which have been enacted or substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to the investment in a subsidiary to the extent that the company is able to control the timing of the reversal of temporary differences and it is probable that those temporary differences will not reverse in the foreseeable future. Deferred tax assets for the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax is measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

2 Significant accounting policies (continued)

2.3 Property, plant and equipment

Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that the future economic benefits that are associated with the asset will flow to the entity and the cost can be measured reliably. Property, plant and equipment are initially measured at cost comprising the purchase price, any costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the item and restoring the site on which it is located. Subsequent expenditure is capitalised as part of the cost of property, plant and equipment only if it enhances the economic benefits of an asset in excess of the previously assessed standard of performance, or it replaces or restores a component that has been separately depreciated over its useful life.

After initial recognition, property, plant and equipment may be carried under the cost model, that is at cost less any accumulated depreciation and any accumulated impairment losses, or under the revaluation model, that is at their fair value at the date of the revaluation less any accumulated depreciation and any accumulated impairment losses.

After initial recognition land and buildings are carried under the *revaluation model*. Other property, plant and equipment are carried under the cost model.

Depreciation

Depreciation is calculated to write down the carrying amount of the asset on a systematic basis over its expected useful life. Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with Section 24 of GAPSE or the date that the asset is derecognised. The depreciation charge for each year is recognised in profit or loss.

The rates of depreciation used are the following:

- | | | |
|------------------------|---|------------------------------------|
| • Furniture & fittings | - | 10% per annum straight line method |
| • Computer equipment | - | 25% per annum straight line method |

2 Significant accounting policies (continued)

2.4 Impairment

The carrying amounts of the company's property, plant and equipment is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised and the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised immediately in profit or loss, unless they related to an asset which is carried at a revalued amount, in which case they are treated as a revaluation decrease in accordance with the applicable Section in GAPSE.

The carrying amounts of the company's assets are also reviewed at each balance sheet date to determine whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss previously recognised is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that it does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Impairment reversals are recognised immediately in profit or loss, unless they relate to an asset which is carried at a revalued amount, in which case they are treated as a revaluation increase in accordance with the applicable Section in GAPSE.

2.5 Financial assets, financial liabilities and equity

Trade and other receivables

Trade and other receivables are carried at cost less any impairment losses.

Trade and other payables

Trade and other payables are stated at their nominal value.

2.6 Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term investments that are held to meet short-term cash commitments rather than for investment or other purposes. Bank overdrafts, which are repayable on demand and form an integral part of the company's cash management, are a component of cash and cash equivalents.

3 Loss before tax

3.1 The loss before tax is stated after charging:

	2015	2014
	€	€
Audit fees	300	300
Depreciation	166	166
	<u> </u>	<u> </u>

4 Income tax expense

4.1 Charge for taxation:

	2015	2014
	€	€
Malta Income Tax at 35% :		
Current	-	-
Deferred	-	-
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

4.2 The tax expense and the result of accounting loss multiplied by the statutory domestic income tax rate is reconciled as follows:

	2015	2014
	€	€
Loss before taxation	(466)	(1,575)
	<u> </u>	<u> </u>
Tax at the applicable rate of 35%	163	551
	<u> </u>	<u> </u>
Effect of:		
Disallowed expense	(163)	(493)
Unrecognised deferred tax movement	-	(58)
	<u> </u>	<u> </u>
Current year charge	-	-
	<u> </u>	<u> </u>

5 Property, plant and equipment

	Furniture & Fittings €	Computer equipment €	Total €
At 1 January 2015			
Cost	1,657	2,302	3,959
Accumulated depreciation	(1,223)	(2,302)	(3,525)
	<u>434</u>	<u>-</u>	<u>434</u>
Net book amount	434	-	434
Year ended 31 December 2015			
Opening net book amount	434	-	434
Depreciation charge	(166)	-	(166)
	<u>268</u>	<u>-</u>	<u>268</u>
Closing net book amount	268	-	268
At 31 December 2015			
Cost/revalued amount	1,657	2,302	3,959
Accumulated depreciation	(1,389)	(2,302)	(3,691)
	<u>268</u>	<u>-</u>	<u>268</u>
Net book amount	268	-	268

6 Equity

6.1 Share capital

	2015 €	2014 €
Authorised, 1,000 ordinary shares of €2.329373 each	<u>2,329</u>	<u>2,329</u>
Issued and 20% paid. 875 ordinary shares of €2.329373 each	<u>408</u>	<u>408</u>

6.2 Retained earnings

Retained earnings represent accumulated profits or losses. No dividends were paid during the year.

7 Borrowings

	2015 €	2014 €
Amount due to shareholder	58,824	54,234
	<u>58,824</u>	<u>54,234</u>

Note –

Shareholders' loan

The amounts due to shareholders and are unsecured, interest free and with no fixed date of repayment.

8 Trade and other payables

8.1 Current trade and other payables

	2015 €	2014 €
Other creditors	1,268	2,851
Accruals	5,995	8,795
	<u>7,263</u>	<u>11,646</u>

9 Cash and cash equivalents

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	2015 €	2014 €
Cash at bank	12	105
	<u>12</u>	<u>105</u>

10 Related party transactions

10.1 Transactions with members of the board of directors

There were no emoluments granted to the director in respect of the current financial reporting year.

10.2 Transactions with related parties

	Transaction value		Balance outstanding	
	Year ended 31 st December		As at 31 st December	
	2015	2014	2015	2014
	€	€	€	€
Financing transactions				
Amounts owed to shareholder	4,590	4,544	58,824	54,234