

Garnett Wire Limited

Registered number: 02624315

Directors' report and financial statements

For the year ended 31 March 2017

GARNETT WIRE LIMITED

COMPANY INFORMATION

Directors

R J Goodall
M K Trivedi
S L Shah
A Dahotre
I Broadbent

Company secretary

R J Goodall

Registered number

02624315

Registered office

Mazars House
Gelderd Road
Gildersome
Leeds
West Yorkshire
LS27 7JN

Independent auditor

Mazars LLP
Chartered Accountants & Statutory Auditor
One St Peter's Square
Manchester
M2 3DE

GARNETT WIRE LIMITED

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GARNETT WIRE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the year were:

R J Goodall
M K Trivedi
S L Shah
M Carline (resigned 30 April 2017)
A Dahotre
I Broadbent

Going concern

The use of the going concern basis of accounting is appropriate because there are no material uncertainties to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern. The company's projections, taking account of reasonable possible changes in trading performance, show that the company will continue to operate within its current facilities.

GARNETT WIRE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017**

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on

5.5.17

and signed on its behalf.



R J Goodall
Director

GARNETT WIRE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GARNETT WIRE LIMITED

We have audited the financial statements of Garnett Wire Limited for the year ended 31 March 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

GARNETT WIRE LIMITED

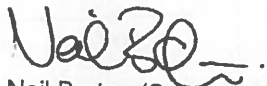
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GARNETT WIRE LIMITED

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime, take advantage of the small companies' exemption in preparing the Directors' report and take advantage of the small companies exemption from the requirement to prepare a Strategic report.



Neil Barton (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

One St Peter's Square
Manchester
M2 3DE

Date: 5 May 2017

GARNETT WIRE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017**

| | Note | 2017 £ | 2016 £ |
|---|------|------------------------|------------------------|
| Turnover | | | |
| Cost of sales | 2,3 | 1,136,767 (945,234) | 1,233,011 (980,449) |
| Gross profit | | <u>191,533</u> | <u>252,562</u> |
| Distribution costs | | (29,032) | (32,040) |
| Administrative expenses | | (191,646) | (217,505) |
| Exceptional items | 8 | - | 1,072,976 |
| Other operating income | 4 | - | 22,000 |
| Operating (loss)/profit | | <u>(29,145)</u> | <u>1,097,993</u> |
| Interest receivable and similar income | | 457 | - |
| Interest payable and expenses | | (819) | (8,560) |
| (Loss)/profit before tax | | <u>(29,507)</u> | <u>1,089,433</u> |
| Tax on (loss)/profit | 7 | 10,519 | (163,566) |
| (Loss)/profit for the financial year | | <u>(18,988)</u> | <u>925,867</u> |

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 8 to 20 form part of these financial statements.

GARNETT WIRE LIMITED
REGISTERED NUMBER: 02624315

BALANCE SHEET
AS AT 31 MARCH 2017

| | Note | 2017 £ | 2016 £ |
|---|------|-----------------|------------------|
| Fixed assets | | | |
| Tangible assets | 9 | 176,547 | 94,213 |
| | | <u>176,547</u> | <u>94,213</u> |
| Current assets | | | |
| Stocks | 10 | 312,016 | 303,351 |
| Debtors: amounts falling due within one year | 11 | 274,633 | 429,987 |
| Cash at bank and in hand | 12 | 120,839 | 1,380,575 |
| | | <u>707,488</u> | <u>2,113,913</u> |
| Creditors: amounts falling due within one year | 13 | (185,465) | (659,280) |
| Net current assets | | <u>522,023</u> | <u>1,454,633</u> |
| Total assets less current liabilities | | <u>698,570</u> | <u>1,548,846</u> |
| Creditors: amounts falling due after more than one year | 14 | (14,916) | (7,321) |
| Provisions for liabilities | | | |
| Deferred tax | 16 | (27,994) | (16,877) |
| | | <u>(27,994)</u> | <u>(16,877)</u> |
| Net assets | | <u>655,660</u> | <u>1,524,648</u> |
| Capital and reserves | | | |
| Called up share capital | | 350,000 | 350,000 |
| Profit and loss account | | 305,660 | 1,174,648 |
| | | <u>655,660</u> | <u>1,524,648</u> |

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on


R J Goodall
 Director

The notes on pages 8 to 20 form part of these financial statements.

GARNETT WIRE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

| | Called up share capital | Profit and loss account | Total equity |
|--|------------------------------------|------------------------------------|---------------------|
| | £ | £ | £ |
| At 1 April 2016 | 350,000 | 1,174,648 | 1,524,648 |
| Comprehensive income for the year | | | |
| Loss for the year | - | (18,988) | (18,988) |
| Total comprehensive income for the year | - | (18,988) | (18,988) |
| Dividends: Equity capital | - | (850,000) | (850,000) |
| Total transactions with owners | - | (850,000) | (850,000) |
| At 31 March 2017 | 350,000 | 305,660 | 655,660 |

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

| | Called up share capital | Profit and loss account | Total equity |
|--|------------------------------------|------------------------------------|---------------------|
| | £ | £ | £ |
| At 1 April 2015 | 350,000 | 248,781 | 598,781 |
| Comprehensive income for the year | | | |
| Profit for the year | - | 925,867 | 925,867 |
| Total comprehensive income for the year | - | 925,867 | 925,867 |
| At 31 March 2016 | 350,000 | 1,174,648 | 1,524,648 |

The notes on pages 8 to 20 form part of these financial statements.

GARNETT WIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. General information

Garnett Wire Limited ("the Company") is a limited company incorporated in the United Kingdom. The registered office is Mazars House, Gelderd Road, Gildersome, Leeds, LS27 7JN. The principal place of business is Woodroyd Mills, South Parade, Cleckheaton, BD19 3AF, UK.

The Company is 60% owned by The Indian Card Clothing Company Limited, a company incorporated in India. The Indian Card Clothing Company Limited prepares financial statements which consolidate the results of the Company and its subsidiaries. Copies of the Group's financial statements may be obtained from The India Card Clothing Company Limited, at their registered office which is Off Mumbai-Pune Highway, Near Ha Factory, Nehru Nagar Road, Pimpri, Pune 411018, India.

The primary economic environment in which the Company operates is governed by Pounds Sterling, and as such, the Company's financial statements have been prepared and presented in this currency.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

The use of the going concern basis of accounting is appropriate because there are no material uncertainties to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern. The company's projections, taking account of reasonable possible changes in trading performance, show that the company will continue to operate within its current facilities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

| | | |
|--------------------|---|----------------------|
| Leasehold property | - | 5% straight line |
| improvements | | |
| Plant & machinery | - | 15% reducing balance |
| Motor vehicles | - | 25% reducing balance |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

2. Accounting policies (continued)

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.9 Creditors

Short term creditors are measured at the transaction price.

2.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.11 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.13 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

GARNETT WIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

2. Accounting policies (continued)**2.14 Pensions****Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.15 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

GARNETT WIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.18 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

3. Turnover

59.4% of the company's turnover (2016 - 53.5%) is attributable to geographical markets outside the United Kingdom. All turnover related to the Company's principal activity.

4. Other operating income

| | 2017 £ | 2016 £ |
|------------------|-----------|-----------|
| Rents receivable | - | 22,000 |
| | - | 22,000 |

GARNETT WIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

5. Auditor's remuneration

| | 2017 £ | 2016 £ |
|--|-----------|-----------|
| Fees payable to the Company's auditor for the audit of the Company's annual financial statements | 8,150 | 8,000 |
| Fees payable to the Company's auditor in respect of: | | |
| Taxation compliance services | 1,000 | 1,000 |
| All other services | 4,450 | 3,450 |
| | 5,450 | 4,450 |

6. Employees

The average monthly number of employees, including directors, during the year was 14 (2016 - 14).

7. Taxation

| | 2017 £ | 2016 £ |
|---|-----------|-----------|
| Corporation tax | | |
| Current tax on profits for the year | (21,400) | 167,040 |
| Adjustments in respect of previous periods | (236) | (1,056) |
| Total current tax | (21,636) | 165,984 |
| Deferred tax | | |
| Origination and reversal of timing differences | 11,117 | (2,418) |
| Total deferred tax | 11,117 | (2,418) |
| Taxation on (loss)/profit on ordinary activities | (10,519) | 163,566 |

Factors affecting tax charge for the year

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 20% (2016 - 20%).

GARNETT WIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

8. Exceptional items

| | 2017 £ | 2016 £ |
|---|-----------|-----------|
| Profit on sale of tangible fixed assets | - | 1,072,976 |
| | - | 1,072,976 |

9. Tangible fixed assets

| | Leasehold property improvem'nt £ | Plant & machinery £ | Motor vehicles £ | Total £ |
|--|---|---------------------------|------------------------|------------|
| Cost or valuation | | | | |
| At 1 April 2016 | - | 459,040 | 31,117 | 490,157 |
| Additions | 60,458 | 20,597 | 18,896 | 99,951 |
| Disposals | - | - | (15,144) | (15,144) |
| At 31 March 2017 | 60,458 | 479,637 | 34,869 | 574,964 |
| Depreciation | | | | |
| At 1 April 2016 | - | 376,923 | 19,022 | 395,945 |
| Charge for the period on owned assets | - | 13,157 | - | 13,157 |
| Charge for the period on financed assets | - | - | 4,459 | 4,459 |
| Disposals | - | - | (15,144) | (15,144) |
| At 31 March 2017 | - | 390,080 | 8,337 | 398,417 |
| Net book value | | | | |
| At 31 March 2017 | 60,458 | 89,557 | 26,532 | 176,547 |
| At 31 March 2016 | - | 82,117 | 12,096 | 94,213 |

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

| | 2017 £ | 2016 £ |
|----------------|-----------|-----------|
| Motor vehicles | 26,533 | 11,232 |
| | 26,533 | 11,232 |

GARNETT WIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

10. Stocks

| | 2017 £ | 2016 £ |
|-------------------------------------|----------------|----------------|
| Raw materials | 169,767 | 160,987 |
| Work in progress | 4,772 | 6,252 |
| Finished goods and goods for resale | 86,035 | 80,507 |
| Stock held on consignment | 51,442 | 55,605 |
| | <u>312,016</u> | <u>303,351</u> |

Stock recognised in cost of sales during the year as an expense was £446,158 (2016 - £507,053).

11. Debtors

| | 2017 £ | 2016 £ |
|------------------------------------|----------------|----------------|
| Trade debtors | 195,807 | 290,068 |
| Amounts owed by group undertakings | 9,456 | 37,937 |
| Other debtors | 48,033 | 6,228 |
| Prepayments and accrued income | 21,337 | 95,754 |
| | <u>274,633</u> | <u>429,987</u> |

12. Cash and cash equivalents

| | 2017 £ | 2016 £ |
|--------------------------|----------------|------------------|
| Cash at bank and in hand | 120,839 | 1,380,575 |
| | <u>120,839</u> | <u>1,380,575</u> |

GARNETT WIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

13. Creditors: Amounts falling due within one year

| | 2017 £ | 2016 £ |
|---|----------------|----------------|
| Trade creditors | 88,194 | 98,558 |
| Amounts owed to group undertakings | 2,670 | 1,473 |
| Corporation tax | - | 167,040 |
| Other taxation and social security | 12,602 | 267,568 |
| Obligations under hire purchase contracts | 10,295 | 3,994 |
| Accruals and deferred income | 71,704 | 120,647 |
| | <u>185,465</u> | <u>659,280</u> |

Secured loans

The hire purchase liabilities are secured upon the assets to which they relate.

14. Creditors: Amounts falling due after more than one year

| | 2017 £ | 2016 £ |
|---|---------------|--------------|
| Net obligations under hire purchase contracts | 14,916 | 7,321 |
| | <u>14,916</u> | <u>7,321</u> |

Secured loans

The hire purchase liabilities are secured upon the assets to which they relate.

GARNETT WIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

15. Financial instruments

| | 2017 £ | 2016 £ |
|--|----------------|------------------|
| Financial assets | | |
| Financial assets measured at fair value through profit or loss | 120,839 | 1,380,575 |
| Financial assets measured at amortised cost | 242,496 | 334,233 |
| | <u>363,335</u> | <u>1,714,808</u> |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | 187,779 | 231,993 |
| | <u>187,779</u> | <u>231,993</u> |

Financial assets measured at fair value through profit or loss comprise cash and bank balances.

Financial assets measured at amortised cost comprise trade debtors, other debtors and amounts owed by group undertakings and related parties.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, amounts owed to group companies, hire purchase liabilities and accruals.

16. Deferred taxation

| | 2017 £ |
|---------------------------|-----------------|
| At beginning of year | (16,877) |
| Charged to profit or loss | (11,117) |
| At end of year | <u>(27,994)</u> |

The provision for deferred taxation is made up as follows:

| | 2017 £ |
|--------------------------------|-----------------|
| Accelerated capital allowances | (27,994) |
| | <u>(27,994)</u> |

GARNETT WIRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

17. Pension commitments

The Company contributes to a defined contributions pension scheme on behalf of its employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £10,616 (2016 - £11,480). Contributions totalling £2,158 (2016 - £1,842) were payable to the fund at the balance sheet date

18. Commitments under operating leases

At 31 March 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

| | 2017 £ | 2016 £ |
|--|---------------|---------------|
| Land and buildings | | |
| Not later than 1 year | 40,960 | 50,417 |
| Later than 1 year and not later than 5 years | 23,893 | - |
| | <u>64,853</u> | <u>50,417</u> |
| | 2017 £ | 2016 £ |
| Other | | |
| Not later than 1 year | 5,469 | 8,557 |
| Later than 1 year and not later than 5 years | 6,764 | 992 |
| | <u>12,233</u> | <u>9,549</u> |

Operating lease rentals recognised as an expense during the period totalled £73,768 (2016: £13,854).

GARNETT WIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

19. Related party transactions

During the year, the company traded with two other UK companies, Joseph Sellers & Son Limited and Shaped Wires Limited, which are under the common control of one of the directors of the company, Mr R J Goodall. The company also traded with The Indian Card Clothing Company Limited, the company with ultimate control of Garnett Wire Limited.

During the year, the company purchased goods and services from Shaped Wires Limited amounting to £360,787 (2016 - £378,839). The company also made sales of goods and services amounting to £50,387 (2016 - £89,703).

During the year, the company purchased goods and services from Joseph Sellers & Son Limited amounting to £39,844 (2016 - £37,682). The company also made sales of goods and services during the year amounting to £7,166 (2016 - £566).

During the year, the company purchased goods and services from The Indian Card Clothing Company Limited amounting to £4,880 (2016 - £14,940). The company also made sales of goods and services during the year amounting to £23,790 (2016 - £76,835).

Amounts due from/(owed to) related parties at the year end were as follows:

| | 2017 £ | 2016 £ |
|--|---------------|---------------|
| Shaped Wires Limited | 17,561 | 6,228 |
| Joseph Sellers & Son Limited | 383 | (1,473) |
| The Indian Card Clothing Company Limited | 6,403 | 37,936 |
| | <u>24,347</u> | <u>42,691</u> |

20. Controlling party

The controlling party is The Indian Card Clothing Company, a company incorporated in India, by virtue of holding 60% of the Ordinary share capital of the Company. Their registered office is Off Mumbai-Pune Highway, Near Ha Factory, Nehru Nagar Road, Pimpri, Pune 411018.

21. First time adoption of FRS 102

The Company's effective date of transition to FRS 102 was 1 April 2015. The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

22. Reclassification of costs

Within the 2016 Statement of Comprehensive Income £49,742 commission costs have been reclassified to cost of sales, having previously been presented within administrative expenditure. The directors consider that the presentation under this heading is more representative of the substance of the transaction. There is no profit effect of this adjustment.

Garnett Wire Limited

Management information

For the year ended 31 March 2017

GARNETT WIRE LIMITED

**DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2017**

| | Note | 2017 £ | 2016 £ |
|--------------------------------------|------|-----------------|------------------|
| Turnover | | 1,136,767 | 1,233,011 |
| Cost of sales | | (945,235) | (980,448) |
| Gross profit | | <u>191,532</u> | <u>252,563</u> |
| Gross profit % | | 16.8 % | 20.5 % |
| Other operating income | | <u>-</u> | <u>22,000</u> |
| Less: overheads | | | |
| Selling and distribution expenses | | (29,032) | (32,040) |
| Administration expenses | | (191,645) | 855,470 |
| Operating (loss)/profit | | <u>(29,145)</u> | <u>1,097,993</u> |
| Interest receivable | | 457 | - |
| Interest payable | | (819) | (8,560) |
| Tax on profit on ordinary activities | | 10,519 | (163,566) |
| (Loss)/Profit for the year | | <u>(18,988)</u> | <u>925,867</u> |

GARNETT WIRE LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017**

| | 2017 £ | 2016 £ |
|--|------------------|------------------|
| Turnover | | |
| Sales | 1,136,767 | 1,233,011 |
| | <u>1,136,767</u> | <u>1,233,011</u> |
| | | |
| | 2017 £ | 2016 £ |
| Cost of sales | | |
| Opening stocks - raw materials | 303,351 | 356,335 |
| Closing stocks - raw materials | (312,016) | (303,351) |
| Purchases - raw materials | 433,607 | 444,224 |
| Purchases - components etc | 20,945 | 9,845 |
| Wages and salaries | 282,466 | 287,601 |
| National insurance | 24,593 | 25,212 |
| Commissions payable | 41,663 | 49,742 |
| Operating leases - Property, plant and equipment | 81,240 | 19,184 |
| Light, heat and power | 17,571 | 14,243 |
| Maintenance | 6,063 | 13,340 |
| Depreciation of property, plant and equipment | 13,157 | 20,306 |
| Process costs | 12,079 | 16,169 |
| Consumables and tooling | 20,516 | 27,598 |
| | <u>945,235</u> | <u>980,448</u> |
| | | |
| | 2017 £ | 2016 £ |
| Other operating income | | |
| Net rents receivable | - | 22,000 |
| | <u>-</u> | <u>22,000</u> |
| | | |
| | 2017 £ | 2016 £ |
| Selling and distribution expenses | | |
| Motor vehicle depreciation | 4,459 | 4,032 |
| Motor running costs | 12,831 | 15,370 |
| Motor vehicle leasing | 11,742 | 12,638 |
| | <u>29,032</u> | <u>32,040</u> |

GARNETT WIRE LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017**

| | 2017 £ | 2016 £ |
|--|----------------|------------------|
| Administration expenses | | |
| Directors salaries | 79,493 | 79,277 |
| Directors pension costs | 3,282 | 2,265 |
| Staff national insurance | 8,731 | 10,626 |
| Staff pension costs | 7,334 | 9,215 |
| Entertainment | 171 | 229 |
| Printing and stationery | 2,166 | 5,148 |
| Telephone and fax | 4,693 | 4,839 |
| Advertising and promotion | - | 450 |
| Auditors' remuneration | 8,150 | 8,000 |
| Auditors' remuneration - non-audit | 4,725 | 1,600 |
| Bank charges | 3,541 | 4,213 |
| Bad debts | 520 | 13,217 |
| Sundry expenses | 18,120 | 21,313 |
| Rent | - | 4,583 |
| Insurances | 21,928 | 25,713 |
| Management charges | 14,400 | 14,400 |
| Secretarial charges | 6,800 | 6,800 |
| Exhibition expenses | (1,009) | (2,982) |
| Management accounts | 8,600 | 8,600 |
| Exceptional - Profit on sale of fixed assets | - | (1,072,976) |
| | <u>191,645</u> | <u>(855,470)</u> |
| | 2017 £ | 2016 £ |
| Interest receivable | | |
| Bank interest receivable | 457 | - |
| | <u>457</u> | <u>-</u> |
| | 2017 £ | 2016 £ |
| Interest payable | | |
| Bank overdraft interest payable | - | 7,224 |
| Bank loan interest payable | - | 617 |
| Hire purchase interest payable | 819 | 719 |
| | <u>819</u> | <u>8,560</u> |

