

Company Registration No. 03042269 (England and Wales)

**GARWARE POLYESTER INTERNATIONAL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

GARWARE POLYESTER INTERNATIONAL LIMITED

COMPANY INFORMATION

Director	Ms S Garware
Secretary	Mr S Thakrar
Company number	03042269
Registered office	Unit 2.17 The Plaza 535 Kings Road London SW10 0SZ
Auditor	KPSR LLP 58 High Street Pinner Middlesex HA5 5PZ

GARWARE POLYESTER INTERNATIONAL LIMITED

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GARWARE POLYESTER INTERNATIONAL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

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

Fair review of the business

The results and financial position at the year end were considered to be satisfactory by the director. The director expects the company to continue trading on a growth and stable basis in the foreseeable future.

The key financial performance indicators used by the Board to monitor the financial performance of the company and its results for the year ended 31 March 2020 are as follows:

- Turnover has increased by 5.59% from £5,675k to £5,992k for the year.
- Gross profit has increased by 9.88% from £1,073k to £1,179k for the year.
- Profit before tax for the company has decreased by 5.73% from £541k to £510k for the year.

Although turnover and gross profit have remained more stable, lower dividends have been paid from the US subsidiary and there has been an increase in administrative costs due to higher headcount.

Principal risks and uncertainties

The main financial risks arising from the company's activities are economic risk, currency risk and operating risk. These are monitored by the board of directors and were not considered to be significant at the balance sheet date.

The company's policy in respect of currency risk, is to closely monitor exchange rate fluctuations between Sterling, Euro and US dollar. This may impact on the operating profit attained by the company.

The company's policy in respect of economic and operating risk, is to adhere to set objectives laid by management and the director in an efficient manner and exercise tight control on costs.

The directors have considered the impact of COVID – 19 on the company and its operations. At the time of signing this report the outbreak has significantly subsided and the government has lifted many restrictions that were put in place at the start of the epidemic.

The directors believe that whilst there will be some impact on its trade in the subsequent period, demand will start increasing in line with the easing of restrictions and the slow-down of the epidemic.

The parent company has seen growth in sales orders from customers who continue to require polyester products with some additional demand for safety film.

The directors also believe that the company has enough reserves to sustain itself through the epidemic and has the full support of the parent company.

Development and performance

The company has an enhanced position in the activities it undertakes and as a result looks forward to reporting positive results in the near future.

The company strives to deliver a high standard of products given the environment it operates in. Based upon its historical performance the director is confident that the company will maintain its success as continued orders have already been placed for the next accounting period. They are assured their continued performance will underpin stability and growth of the company in the foreseeable future.

There are no matters that give rise to a post balance sheet event.

GARWARE POLYESTER INTERNATIONAL LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2020

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

Principal activities

The principal activity of the company was that of distribution of industrial polyester film and related products.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Ms S Garware

Results and dividends

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

Ordinary dividends were paid amounting to £1,400,000. The director does not recommend payment of a further dividend.

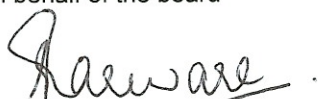
Auditor

In accordance with the company's articles, a resolution proposing that KPSR LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as the director is aware, there is no relevant audit information of which the company's auditor are unaware. Additionally, the director has taken all the necessary steps that she ought to have taken as director in order to make herself aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Ms S Garware

Director

9 June 2020

GARWARE POLYESTER INTERNATIONAL LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

The director is responsible for preparing the Strategic Report, Director's 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 she 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 her to ensure that the financial statements comply with the Companies Act 2006. She 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.

GARWARE POLYESTER INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GARWARE POLYESTER INTERNATIONAL LIMITED

Opinion

We have audited the financial statements of Garware Polyester International Limited (the 'company') for the year ended 31 March 2020 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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 director is 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.

COVID-19 and uncertainties

With the advent of the current pandemic it is difficult to evaluate all the potential implications on the group's trade, customers, suppliers and wider economy.

GARWARE POLYESTER INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GARWARE POLYESTER INTERNATIONAL LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the 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 the 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 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 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement, 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 has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to her 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.

GARWARE POLYESTER INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GARWARE POLYESTER INTERNATIONAL LIMITED

Kailesh J Patel

Kailesh Patel (Senior Statutory Auditor)
for and on behalf of KPSR LLP

9 June 2020

Chartered Accountants
Statutory Auditor

58 High Street
Pinner
Middlesex
HA5 5PZ

GARWARE POLYESTER INTERNATIONAL LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

		2020	2019
	Notes	£	£
Turnover	3	5,992,437	5,674,552
Cost of sales		(4,813,745)	(4,601,318)
Gross profit		<u>1,178,692</u>	<u>1,073,234</u>
Distribution costs		(115,206)	(104,415)
Administrative expenses		(785,188)	(730,609)
Operating profit	4	<u>278,298</u>	<u>238,210</u>
Interest receivable and similar income	8	231,085	303,145
Profit before taxation		<u>509,383</u>	<u>541,355</u>
Tax on profit	9	(52,067)	(46,119)
Profit for the financial year		<u><u>457,316</u></u>	<u><u>495,236</u></u>

The Income Statement has been prepared on the basis that all operations are continuing operations.

GARWARE POLYESTER INTERNATIONAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

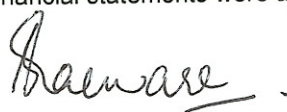
	2020	2019
	£	£
Profit for the year	457,316	495,236
Other comprehensive income	-	-
Total comprehensive income for the year	<u>457,316</u>	<u>495,236</u>

GARWARE POLYESTER INTERNATIONAL LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Notes	£	2020 £	£	2019 £
Fixed assets					
Tangible assets	11		44,053		58,548
Investments	12		62,046		62,046
			<u>106,099</u>		<u>120,594</u>
Current assets					
Debtors	14	849,662		375,973	
Cash at bank and in hand		1,005,705		1,737,137	
		<u>1,855,367</u>		<u>2,113,110</u>	
Creditors: amounts falling due within one year	15	(1,255,515)		(581,313)	
Net current assets			599,852		1,531,797
Total assets less current liabilities			<u>705,951</u>		<u>1,652,391</u>
Provisions for liabilities	16		(1,702)		(5,459)
Net assets			<u>704,249</u>		<u>1,646,932</u>
Capital and reserves					
Called up share capital	18		250,000		250,000
Profit and loss reserves	19		454,249		1,396,932
Total equity			<u>704,249</u>		<u>1,646,932</u>

The financial statements were approved and signed by the director and authorised for issue on 9 June 2020


Ms S Garware
Director

Company Registration No. 03042269

GARWARE POLYESTER INTERNATIONAL LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2018		250,000	901,696	1,151,696
Year ended 31 March 2019:				
Profit and total comprehensive income for the year		-	495,236	495,236
Balance at 31 March 2019		<u>250,000</u>	<u>1,396,932</u>	<u>1,646,932</u>
Year ended 31 March 2020:				
Profit and total comprehensive income for the year		-	457,316	457,316
Dividends	10	-	(1,400,000)	(1,400,000)
Balance at 31 March 2020		<u>250,000</u>	<u>454,248</u>	<u>704,248</u>

GARWARE POLYESTER INTERNATIONAL LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	£	2020 £	£	2019 £
Cash flows from operating activities					
Cash generated from operations	23		486,148		553,216
Income taxes paid			(48,495)		(51,838)
Net cash inflow from operating activities			<u>437,653</u>		<u>501,378</u>
Investing activities					
Purchase of tangible fixed assets		(170)		(374)	
Interest received		6,384		4,319	
Dividends received		224,701		298,826	
Net cash generated from investing activities			<u>230,915</u>		<u>302,771</u>
Financing activities					
Dividends paid		(1,400,000)		-	
Net cash used in financing activities			<u>(1,400,000)</u>		<u>-</u>
Net (decrease)/increase in cash and cash equivalents			<u>(731,432)</u>		<u>804,149</u>
Cash and cash equivalents at beginning of year			1,737,137		932,988
Cash and cash equivalents at end of year			<u><u>1,005,705</u></u>		<u><u>1,737,137</u></u>

GARWARE POLYESTER INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

Garware Polyester International Limited ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is Unit 2.17 The Plaza, 535 Kings Road, London, SW10 0SZ.

1.1 Accounting convention

These individual financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound sterling.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The director has at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus she is continuing to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered stated net of discounts and of Value Added Tax. When the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes in effect a financing transaction, the fair value of the consideration is measured as the present value of all future receipts determined using an imputed rate of interest, normally the rate that discounts the nominal amount of consideration to the cash sales price.

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

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings short leasehold	Straight line over the life of the lease
Fixtures, fittings and equipment	25% reducing balance

GARWARE POLYESTER INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the income statement.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

GARWARE POLYESTER INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

GARWARE POLYESTER INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through the income statement, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the income statement.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans from fellow group companies and preference shares that are classified as debt, are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in income statement in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

GARWARE POLYESTER INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

GARWARE POLYESTER INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

1.15 Exemption from consolidation

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirements to do so by section 401 of the companies Act 2006 as the results of the company and its subsidiary are included in the accounts of the Indian parent company, Garware Polyester Limited.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2020	2019
	£	£
Turnover analysed by class of business		
Sale of goods	5,704,114	5,203,759
Commission	288,323	470,793
	<u>5,992,437</u>	<u>5,674,552</u>
	2020	2019
	£	£
Other significant revenue		
Interest income	6,384	4,319
Dividends received	224,701	298,826
	<u>231,085</u>	<u>303,145</u>

GARWARE POLYESTER INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

		(Continued)	
		2020	2019
		£	£
3	Turnover and other revenue		
	Turnover analysed by geographical market		
	UK sales	900,103	914,061
	Foreign sales	5,092,334	4,760,491
		<u>5,992,437</u>	<u>5,674,552</u>
4	Operating profit	2020	2019
		£	£
	Operating profit for the year is stated after charging/(crediting):		
	Exchange losses/(gains)	12,537	(7,994)
	Fees payable to the company's auditor for the audit of the company's financial statements	15,500	13,726
	Depreciation of owned tangible fixed assets	14,665	19,433
	Operating lease charges	29,204	32,302
		<u> </u>	<u> </u>
	Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £12,537 (2019 - £7,994).		
5	Auditor's remuneration	2020	2019
		£	£
	Fees payable to the company's auditor and associates:		
	For audit services		
	Audit of the financial statements of the company	15,500	13,726
		<u> </u>	<u> </u>
6	Employees		
	The average monthly number of persons (including directors) employed by the company during the year was:		
		2020	2019
		Number	Number
	Administration and management	4	3
	Selling and distribution	2	2
		<u> </u>	<u> </u>
		6	5
		<u> </u>	<u> </u>

GARWARE POLYESTER INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

6	Employees	(Continued)	
	Their aggregate remuneration comprised:		
		2020	2019
		£	£
	Wages and salaries	623,505	551,195
	Social security costs	63,956	63,119
		<u>687,461</u>	<u>614,314</u>
		<u><u>687,461</u></u>	<u><u>614,314</u></u>
7	Director's remuneration		
		2020	2019
		£	£
	Remuneration for qualifying services	326,775	317,960
		<u>326,775</u>	<u>317,960</u>
		<u><u>326,775</u></u>	<u><u>317,960</u></u>
	Remuneration disclosed above include the following amounts paid to the highest paid director:		
		2020	2019
		£	£
	Remuneration for qualifying services	326,775	317,960
		<u>326,775</u>	<u>317,960</u>
		<u><u>326,775</u></u>	<u><u>317,960</u></u>
8	Interest receivable and similar income		
		2020	2019
		£	£
	Interest income		
	Interest on bank deposits	6,384	4,319
	Income from fixed asset investments		
	Income from shares in group undertakings	224,701	298,826
		<u>224,701</u>	<u>298,826</u>
	Total income	231,085	303,145
		<u>231,085</u>	<u>303,145</u>
		<u><u>231,085</u></u>	<u><u>303,145</u></u>
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	6,384	4,319
		<u>6,384</u>	<u>4,319</u>
		<u><u>6,384</u></u>	<u><u>4,319</u></u>
9	Taxation		
		2020	2019
		£	£
	Current tax		
	UK corporation tax on profits for the current period	55,824	48,496
		<u>55,824</u>	<u>48,496</u>
		<u><u>55,824</u></u>	<u><u>48,496</u></u>

GARWARE POLYESTER INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Deferred tax		
Origination and reversal of timing differences	(3,757)	(2,377)
	<u> </u>	<u> </u>
Total tax charge	52,067	46,119
	<u> </u>	<u> </u>

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

	2020 £	2019 £
Profit before taxation	509,383	541,355
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	96,783	102,857
Tax effect of expenses that are not deductible in determining taxable profit	2,786	3,731
Tax effect of income not taxable in determining taxable profit	(42,693)	(56,777)
Capital allowances	(1,052)	(1,315)
Deferred taxation	(3,757)	(2,377)
	<u> </u>	<u> </u>
Taxation charge for the year	52,067	46,119
	<u> </u>	<u> </u>

10 Dividends

	2020 £	2019 £
Final paid	1,400,000	-
	<u> </u>	<u> </u>

GARWARE POLYESTER INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

11 Tangible fixed assets

	Land and buildings short leasehold £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 April 2019	81,614	178,460	260,074
Additions	-	170	170
At 31 March 2020	81,614	178,630	260,244
Depreciation and impairment			
At 1 April 2019	81,614	119,912	201,526
Depreciation charged in the year	-	14,665	14,665
At 31 March 2020	81,614	134,577	216,191
Carrying amount			
At 31 March 2020	-	44,053	44,053
At 31 March 2019	-	58,548	58,548

12 Fixed asset investments

	Notes	2020 £	2019 £
Investments in subsidiaries	13	62,046	62,046

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 April 2019 & 31 March 2020	62,046
Carrying amount	
At 31 March 2020	62,046
At 31 March 2019	62,046

GARWARE POLYESTER INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

13 Subsidiaries

Details of the company's subsidiaries at 31 March 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held (Direct)
Global Pet Films Inc.	USA	Sale of polyester film	Common stock	100

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Global Pet Films Inc.	703,311	992,701

14 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	632,284	300,339
Amounts owed by group undertakings	181,951	60,000
Other debtors	26,529	5,407
Prepayments and accrued income	8,898	10,227
	<u>849,662</u>	<u>375,973</u>

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	37,275	40,620
Amounts owed to group undertakings	1,121,663	435,012
Corporation tax	55,824	48,496
Other taxation and social security	26,732	30,865
Other creditors	-	13,429
Accruals and deferred income	14,021	12,891
	<u>1,255,515</u>	<u>581,313</u>

16 Provisions for liabilities

	Notes	2020 £	2019 £
Deferred tax liabilities	17	<u>1,702</u>	<u>5,459</u>

GARWARE POLYESTER INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

17 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2020	Liabilities 2019
Balances:	£	£
ACAs	1,702	5,459
	<u>1,702</u>	<u>5,459</u>

There were no deferred tax movements in the year.

The deferred tax liability set out above relates to accelerated capital allowances.

18 Share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
250,000 Ordinary shares of £1 each	250,000	250,000
	<u>250,000</u>	<u>250,000</u>

19 Profit and loss reserves

Retained earnings as at the Balance Sheet date is fully distributable.

20 Operating lease commitments

Lessee

The company entered into a 3 year operating lease for use of its current office space which is due to expire in July 2021.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	17,615	17,615
Between two and five years	5,116	22,731
	<u>22,731</u>	<u>40,346</u>

GARWARE POLYESTER INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

21 Related party transactions

The following amounts were outstanding at the reporting end date:

	2020	2019
	£	£
Amounts due to related parties		
Owed to parent company - Garware Polyester Limited	1,121,663	435,012

The following amounts were outstanding at the reporting end date:

	2020	2019
	£	£
Amounts due from related parties		
Owed by subsidiary - Global Pet Films Inc	181,951	60,000

22 Controlling party

The Company is controlled by Garware Polyester Limited, a listed company incorporated in India and listed on the Indian Stock Exchange. The director regard Garware Polyester Limited as the immediate and ultimate parent company. The registered office for Garware Polyester Limited is Naigaon, Post Waluj, Aurangabad, Maharashtra, India-431 133.

Copies of the financial statements of the parent company are available from Investor Relations at www.garwarepoly.com.

23 Cash generated from operations

	2020	2019
	£	£
Profit for the year after tax	457,316	495,236
Adjustments for:		
Taxation charged	52,067	46,119
Investment income	(231,085)	(303,145)
Depreciation and impairment of tangible fixed assets	14,665	19,433
Movements in working capital:		
(Increase)/decrease in debtors	(452,567)	221,578
Increase in creditors	645,752	73,995
Cash generated from operations	<u>486,148</u>	<u>553,216</u>

24 Analysis of changes in net funds

	1 April 2019	Cash flows	31 March 2020
	£	£	£
Cash at bank and in hand	1,737,137	(731,432)	1,005,705

GARWARE POLYESTER INTERNATIONAL LIMITED

MANAGEMENT INFORMATION

FOR THE YEAR ENDED 31 MARCH 2020

GARWARE POLYESTER INTERNATIONAL LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020

		2020		2019
	£	£	£	£
Turnover				
Sales and commission		5,992,437		5,674,552
Cost of sales				
Purchases	4,801,208		4,609,312	
Profit or loss on foreign exchange	12,537		(7,994)	
		<u>(4,813,745)</u>		<u>(4,601,318)</u>
Gross profit		1,178,692		1,073,234
Distribution costs	115,206		104,415	
Administrative expenses	785,188		730,609	
		<u>(900,394)</u>		<u>(835,024)</u>
Operating profit		278,298		238,210
Investment revenues				
Bank interest	6,384		4,319	
Dividends receivable from group companies	224,701		298,826	
		<u>231,085</u>		<u>303,145</u>
Profit before taxation		<u>509,383</u>		<u>541,355</u>

GARWARE POLYESTER INTERNATIONAL LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 MARCH 2020

	2020	2019
	£	£
Distribution costs		
Hotel, travel and subsistence	99,586	72,336
Advertising and promotions	15,620	4,600
Entertaining	-	202
Commissions payable	-	27,277
	<u>115,206</u>	<u>104,415</u>
Administrative expenses		
Wages and salaries	296,730	233,235
Employer's N.I. contributions	63,956	63,119
Staff welfare	171	185
Directors' remuneration	326,775	317,960
Rent, rates and service charge	29,204	32,302
Light and heat	1,886	384
Premises insurance	4,520	3,284
Subscriptions	1,454	1,608
Legal and professional fees	6,106	14,654
Accountancy	7,800	7,800
Audit fees	15,500	13,726
Bank charges	3,189	3,320
Printing, postage and stationery	706	739
Telephone	7,971	12,728
Entertaining	58	-
Sundry expenses	4,497	6,132
Depreciation	14,665	19,433
	<u>785,188</u>	<u>730,609</u>
