

# **Cosmopolitan Textile Company Limited**

Registered number: 00670717

## **Directors' report and financial statements**

**For the year ended 31 December 2020**



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**COSMOPOLITAN TEXTILE COMPANY LIMITED**

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**COMPANY INFORMATION**

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|                             |   |
|-----------------------------|---|
| <b>Directors</b>            | J E Boubal<br>P R Martin (resigned 27 March 2020)<br>T Moussa (appointed 30 March 2020)                   |
| <b>Company secretary</b>    | J Haslam  |
| <b>Registered number</b>    | 00670717  |
| <b>Registered office</b>    | Longshaw Industrial Park<br>Highfield Road<br>Blackburn<br>BB2 3AS  |
| <b>Independent auditors</b> | Mazars LLP<br>Chartered Accountants & Statutory Auditors<br>One St Peter's Square<br>Manchester<br>M2 3DE |
| <b>Bankers</b>              | HSBC<br>4 Hardman Square<br>Spinningfields<br>Manchester<br>M3 3EB  |

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**COSMOPOLITAN TEXTILE COMPANY LIMITED**

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## **COSMOPOLITAN TEXTILE COMPANY LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors present their report and the financial statements for the year ended 31 December 2020.

#### **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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

#### **Principal activity**

The principal activity of the Company during the period was that of a holding company.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £172k (2019 - 56,850k).

During the year the company paid dividends of £Nil (2019: £57,671k).

#### **Directors**

The directors who served during the year were:

J E Boubal  
P R Martin (resigned 27 March 2020)  
T Moussa (appointed 30 March 2020)

#### **The impact of COVID-19**

We have considered the potential impact of COVID-19 on the Company and whilst there may be significant effects for the wider economy which could in turn affect the Company's performance, we have not identified any specific risk that is material enough to require further disclosure here.

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**COSMOPOLITAN TEXTILE COMPANY LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Disclosure of information to auditors**

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 auditors are 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 auditors are aware of that information.

**Auditors**

The auditors, 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 and signed on its behalf.

T Moussa  
Director



Date: June 16, 2021

Longshaw Industrial Park  
Highfield Road  
Blackburn  
BB2 3AS

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**COSMOPOLITAN TEXTILE COMPANY LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COSMOPOLITAN TEXTILE COMPANY LIMITED**

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**Opinion**

We have audited the financial statements of Cosmopolitan Textile Company Limited (the 'company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, 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 December 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

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

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

We have nothing to report in this regard.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COSMOPOLITAN TEXTILE COMPANY LIMITED**

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**Opinions on other matters prescribed by the Companies Act 2006**

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

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

**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 Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Directors**

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are 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 directors' determine 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 directors are 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 directors intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COSMOPOLITAN TEXTILE COMPANY LIMITED**

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**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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to loss reserves, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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



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**COSMOPOLITAN TEXTILE COMPANY LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COSMOPOLITAN TEXTILE COMPANY LIMITED**

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**Use of the audit 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 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.



Timothy Hudson (Senior statutory auditor)

for and on behalf of  
Mazars LLP  
Chartered Accountants and Statutory Auditors  
One St Peter's Square  
Manchester  
M2 3DE

Date: 16 June 2021

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**COSMOPOLITAN TEXTILE COMPANY LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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|  | Note | 2020<br>£000 | 2019<br>£000  |
|--|------|--------------|---------------|
| Administrative expenses                |      | (129)        | (152)         |
| Other operating income                 |      | 72           | 1,232         |
| <b>Operating (loss)/profit</b>         |      | <b>(57)</b>  | <b>1,080</b>  |
| Profit on sale of investments          |      | -            | 55,553        |
| Interest receivable and similar income |      | 229          | 217           |
| <b>Profit before tax</b>               |      | <b>172</b>   | <b>56,850</b> |
| Tax on profit                          | 4    | -            | -             |
| <b>Profit for the financial year</b>   |      | <b>172</b>   | <b>56,850</b> |

There was no other comprehensive income for 2020 (2019: £Nil).

The notes on pages 10 to 18 form part of these financial statements.

**COSMOPOLITAN TEXTILE COMPANY LIMITED**  
**REGISTERED NUMBER: 00670717**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

|  | Note | 2020<br>£000  | 2019<br>£000  |
|--|------|---------------|---------------|
| Tangible assets                                | 5    | -             | -             |
| Investments                                    | 6    | -             | -             |
|  |      | <u>-</u>      | <u>-</u>      |
| <b>Current assets</b>                          |      |               |               |
| Debtors: amounts falling due within one year   | 7    | 10,152        | 9,792         |
| Cash at bank and in hand                       | 8    | 60            | 376           |
|  |      | <u>10,212</u> | <u>10,168</u> |
| Creditors: amounts falling due within one year | 9    | (22)          | (150)         |
| <b>Net current assets</b>                      |      | <u>10,190</u> | <u>10,018</u> |
| <b>Total assets less current liabilities</b>   |      | <u>10,190</u> | <u>10,018</u> |
| <b>Net assets</b>                              |      | <u>10,190</u> | <u>10,018</u> |
| <b>Capital and reserves</b>                    |      |               |               |
| Called up share capital                        | 10   | 3,270         | 3,270         |
| Share premium account                          | 11   | 1,553         | 1,553         |
| Capital redemption reserve                     | 11   | 180           | 180           |
| Profit and loss account                        | 11   | 5,187         | 5,015         |
|  |      | <u>10,190</u> | <u>10,018</u> |

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

T Moussa  
Director

Date:

June 16, 2021

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**COSMOPOLITAN TEXTILE COMPANY LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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|                            | <b>Called up<br/>share capital<br/>£000</b> | <b>Share<br/>premium<br/>account<br/>£000</b> | <b>Capital<br/>redemption<br/>reserve<br/>£000</b> | <b>Profit and<br/>loss account<br/>£000</b> | <b>Total equity<br/>£000</b> |
|----------------------------|---|---|--|---|------------------------------|
| <b>At 1 January 2019</b>   | 3,270                                       | 1,553   | 180  | 5,836                                       | 10,839                       |
| Profit for the year        | -   | -   | -  | 56,850                                      | 56,850                       |
| Dividends: Equity capital  | -   | -   | -  | (57,671)                                    | (57,671)                     |
| <b>At 1 January 2020</b>   | 3,270                                       | 1,553   | 180  | 5,015                                       | 10,018                       |
| Profit for the year        | -   | -   | -  | 172   | 172                          |
| <b>At 31 December 2020</b> | 3,270                                       | 1,553   | 180  | 5,187                                       | 10,190                       |

The notes on pages 10 to 18 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

The Company is a private company limited by shares, incorporated in the United Kingdom and registered in England. The registered office is Longshaw Industrial Park, Highfield Road, Blackburn, BB2 3AS. The principal activity of the Company is that of a holding company.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with 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's accounting policies (see note 2).

The following principal accounting policies have been applied:

**1.2 Financial reporting standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Cha Technologies Group Plc as at 31 December 2020 and these financial statements may be obtained from the Registrar of Companies whose address is detailed in note 16 to the financial statements.

**1.3 Consolidated financial statements**

The Company is exempt by virtue of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. Accounting policies (continued)**

**1.4 Going concern**

The Directors have formed a judgement at the time of approving the financial statements that the Company has adequate resources available to continue operating for at least 12 months and conclude that there are no material uncertainties relating to events or conditions that may cast doubt over the ability of the Company to continue as a going concern.

Current forecasts indicates that business will continued to be profit making during this period and has adequate cash reserves to mitigate a downturn on forecast.

In drawing this conclusion the Directors have considered the ongoing impact of Covid-19 on the business, its working capital position and the expected cash that will be generated from its operations.

**1.5 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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

**1.6 Revenue**

Revenue is measured at the fair value of the consideration received or receivable net of discounts and other sales-related taxes.

**Turnover**

Turnover is derived from the sale of non-woven textile fabrics and fibers. Turnover from the sale of goods is recognised when the Company has transferred the significant risks and rewards of ownership to the buyer, which is usually the date that delivery of the goods is taken.

**Other income**

Royalty income arises from the use of the Company's trade names and is recognised on an accruals basis in accordance with the substance of the relevant agreements.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. Accounting policies (continued)**

**1.7 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

|                     |                           |
|---------------------|---------------------------|
| Fixtures & fittings | - 10% - 33% straight line |
|---------------------|---------------------------|

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**1.8 Operating leases: the company as lessee**

Rentals payable or receivable under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the relevant lease. Any lease incentives are spread on a straight-line basis over the lease term.

**1.9 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

**1.10 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.

**1.11 Cash and cash equivalents**

Cash and cash equivalents comprises cash in hand, deposits held with banks and other short-term highly liquid investments with original maturities of three months or less.

**1.12 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. Accounting policies (continued)****1.12 Financial instruments (continued)**

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.

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.

**1.13 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**1.14 Research and development**

Research and development expenditure is charged to the Statement of Comprehensive Income in the year which it is incurred, except that development expenditure incurred on an individual project is capitalised as an intangible asset when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

**2. Critical accounting judgements and key sources of estimation uncertainty**

In applying the Company's accounting policies, the directors do not believe they have been required to make critical accounting judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities.

**3. Employees**

The Company has no employees other than the directors, who did not receive any remuneration (2019 - £Nil).

**4. Taxation**

|                                     | 2020<br>£000 | 2019<br>£000 |
|-------------------------------------|--------------|--------------|
| <b>Corporation tax</b>              |              |              |
| Current tax on profits for the year | -            | -            |
| <b>Total current tax</b>            | -            | -            |



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**4. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

|  | <b>2020<br/>£000</b> | <b>2019<br/>£000</b> |
|--|----------------------|----------------------|
| Profit on ordinary activities before tax   | 172                  | 56,850               |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%) | 33                   | 10,802               |
| <b>Effects of:</b>   |                      |                      |
| Non-taxable income   | (19)                 | (10,789)             |
| Group relief   | (14)                 | (13)                 |
| <b>Total tax charge/(credit) for the year</b>  | <b>-</b>             | <b>-</b>             |

**Factors that may affect future tax charges**

There are no factors affecting future tax charges.

**5. Tangible fixed assets**

|                          | <b>Fixtures &amp;<br/>fittings<br/>£000</b> |
|--------------------------|---|
| <b>Cost or valuation</b> |   |
| At 1 January 2020        | 6   |
| At 31 December 2020      | 6   |
| <b>Depreciation</b>      |   |
| At 1 January 2020        | 6   |
| At 31 December 2020      | 6   |
| <b>Net book value</b>    |   |
| At 31 December 2020      | -   |
| At 31 December 2019      | -   |

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**COSMOPOLITAN TEXTILE COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**6. Fixed asset investments**

|                          | <b>Investments<br/>in<br/>subsidiary<br/>companies<br/>£000</b> |
|--------------------------|---|
| <b>Cost or valuation</b> |   |
| At 1 January 2020        | 33  |
| At 31 December 2020      | 33  |
| <b>Impairment</b>        |   |
| At 1 January 2020        | 33  |
| At 31 December 2020      | 33  |
| <b>Net book value</b>    |   |
| At 31 December 2020      | -   |
| At 31 December 2019      | -   |

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

| <b>Name</b>                   | <b>Registered office</b>  | <b>Class of<br/>shares</b> | <b>Holding</b> |
|-------------------------------|---|----------------------------|----------------|
| Microstof Textiles Limited    | Longshaw Industrial Park, Highfield<br>Road, Blackburn, England | Ordinary                   | 98%            |
| Winsford Cord Company Limited | Longshaw Industrial Park, Highfield<br>Road, Blackburn, England | Ordinary                   | 100%           |

The aggregate of the share capital and reserves as at 31 December 2020 and the profit or loss for the year ended on that date for the subsidiary undertakings was as follows:

| <b>Name</b>                   | <b>Aggregate<br/>of share<br/>capital and<br/>reserves<br/>£000</b> |
|-------------------------------|---|
| Microstof Textiles Limited    | 100   |
| Winsford Cord Company Limited | (141,527)   |

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**COSMOPOLITAN TEXTILE COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**7. Debtors**

|   | <b>2020<br/>£000</b> | <b>2019<br/>£000</b> |
|---|----------------------|----------------------|
| Amounts owed by group undertakings            | 4,815                | 4,420                |
| Amounts owed by joint ventures and associates | 5,324                | 5,351                |
| Other debtors                                 | 8                    | 10                   |
| Prepayments and accrued income                | 5                    | 10                   |
| Tax recoverable                               | -                    | 1                    |
|   | <u>10,152</u>        | <u>9,792</u>         |

Amounts owed by group undertakings stated above are unsecured, repayable on demand, and attract interest at a rate of 5%.

**8. Cash and cash equivalents**

|                          | <b>2020<br/>£000</b> | <b>2019<br/>£000</b> |
|--------------------------|----------------------|----------------------|
| Cash at bank and in hand | <u>60</u>            | <u>376</u>           |

**9. Creditors: Amounts falling due within one year**

|   | <b>2020<br/>£000</b> | <b>2019<br/>£000</b> |
|---|----------------------|----------------------|
| Trade creditors                               | 2                    | 2                    |
| Amounts owed to group undertakings            | -                    | 2                    |
| Amounts owed to other participating interests | 2                    | 61                   |
| Other creditors                               | -                    | 1                    |
| Accruals and deferred income                  | 18                   | 84                   |
|   | <u>22</u>            | <u>150</u>           |

Bank facilities are secured by fixed and floating charges over all assets of the company.

There is an unlimited multilateral guarantee in existence given by the Company, its immediate parent company Cha Technologies Group Plc, and related companies Cosmotec Nonwovens Ltd and CTC Europe Nonwovens Ltd to the bankers.

There is a composite unlimited multilateral guarantee in existence given by the Company, its immediate parent company Cha Technologies Group Plc, and fellow subsidiary undertaking Cha Textiles Limited.

Amounts owed to group undertakings are unsecured, repayable on demand, and interest free.

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**COSMOPOLITAN TEXTILE COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Share capital**

|   | <b>2020</b>  | <b>2019</b>  |
|---|--------------|--------------|
|   | <b>£000</b>  | <b>£000</b>  |
| <b>Allotted, called up and fully paid</b>               |              |              |
| 3,269,916 (2019 - 3,269,916) Ordinary shares of £1 each | 3,270        | 3,270        |
|   | <u>3,270</u> | <u>3,270</u> |

**11. Reserves****Share premium account**

The share premium account represents the difference between the proceeds and the nominal value of each share issued.

**Capital redemption reserve**

This reserve records the nominal value of shares repurchased by the Company.

**Profit & loss account**

The profit and loss account represents cumulative profits and losses of the Company.

**12. Contingent liabilities**

The company has indemnified its bankers to a maximum of £100,000 for a guarantee given by the bank to H.M. Revenue & Customs.

**13. Commitments under operating leases**

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

|  | <b>2020</b> | <b>2019</b> |
|--|-------------|-------------|
|  | <b>£000</b> | <b>£000</b> |
| Not later than 1 year                        | 5           | 4           |
| Later than 1 year and not later than 5 years | -           | 5           |
|  | <u>5</u>    | <u>9</u>    |

**NOTES TO THE FINANCIAL STATEMENTS  
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**14. Related party transactions**

At 31 December 2020, the company was due £5,301,578 (2019: 5,301,578) from Hongkong and Shanghai Textiles Ltd, a company related by common ownership.

At 31 December 2020, the company was due £21,992 (2019: £49,700) from and owed £21 (2019: £58,594) to Cosmotec Nonwovens Ltd, a company related by common ownership.

At 31 December 2020, the company owed £2,239 (2019: £2,568) from CTC Europe Nonwovens Ltd, a company related by common ownership.

During the year the company made purchases of £154,416 (2019: £Nil) from Cha Technologies Trading & Services SA, a company related by common ownership.

The company has taken advantage of the exemption under FRS 102 not to provide information on related party transactions with other wholly owned subsidiary undertakings within the Cha Technologies Group.

**15. Post balance sheet events**

There are no adjusting or non-adjusting events affecting the Company following the year end.

**16. Ultimate parent undertaking and controlling party**

The ultimate parent company of the Company is CCM Trust (Cayman) Ltd, a company incorporated in the Cayman Islands. The financial statements of CCM Trust (Cayman) Ltd are not publicly available.

The immediate holding company is Cha Technologies Group Plc, a company registered in England and Wales. Cha Technologies Group Plc is the largest group of companies into which the company's results are consolidated where the financial statements are available to the public. Copies of the consolidated financial statements of Cha Technologies Group Plc may be obtained from the Registrar of Companies at Crown Way, Cardiff, CF14 3UZ.