

Company No. 03890074

Globaltex Limited

Annual Report and Financial Statements for the financial year ended 31 January 2023



Globaltex Limited

Annual Report and Financial Statements

for the financial year ended 31 January 2023

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Globaltex Limited

Officers and Professional Advisors

Directors

Lisa Montague
Mike Woodcock

Company Secretary

Caroline Geary (resigned on 22 June 2023)
Danielle Gisbourne (appointed on 23 June 2023)

Registered office

Chalfont House
Oxford Road
Denham, Uxbridge
England
UB9 4DX

Independent Auditors

BDO LLP
Two Snowhill
Birmingham
B4 6GA

Bankers

Barclays Commercial Bank
The Pinnacle
Midsummer Boulevard
Milton Keynes
MK9 1BP

Globaltex Limited

Strategic Report for the financial year ended 31 January 2023

The Directors present their strategic report of Globaltex Limited ("the Company") for the financial year ended 31 January 2023.

PRINCIPAL ACTIVITIES

Globaltex Limited is a non-trading company with limited assets and liabilities.

REVIEW OF THE BUSINESS

The Company is part of the Sanderson Design Group, hereinafter (the "Group"), and is included in the consolidated financial statements of Sanderson Design Group PLC, the ultimate parent undertaking, which are publicly available.

Key performance indicators (KPIs)

The directors of Sanderson Design Group PLC manage the Group's operations, including those of the Company which is a wholly owned subsidiary of the Group. For this reason, the directors believe that analysis using KPIs for the Company is not necessary or appropriate. The development, performance and position of the Group, which includes the Company, is discussed in the Group's 2023 Annual Report & Accounts which does not form part of this report.

Principal risks and uncertainties

The risks and uncertainties of the Company are managed at the Group level, details of which are disclosed in the 2023 Annual Report & Accounts of Sanderson Design Group PLC.

Business risks

The Directors have identified key business risks for the Company and these are explained below. The Directors carry out regular assessments of other business risks to the Company. Insurance policies are entered into by the Company, when it considers it commercially appropriate to insure against financial loss caused by unforeseen events.

The Company is a wholly owned trading subsidiary of the group of companies (the "Sanderson Design Group") headed by its ultimate parent company Sanderson Design Group PLC.

Going concern

The Company has ceased to trade and therefore is no longer a going concern.

Financial risks

The Company had ceased trading since the last financial year and is not exposed to significant financial risks except for the credit risk as explain below.

Credit risk

Credit risk arises from the Company's receivables, cash held with banks and derivative financial instruments. It is the risk that the counterparty fails to discharge its obligation in respect of the instrument. Receivables due from group entities are centrally managed by the Group. The Group assesses the risk of an entity's ability to settle any amount due. Cash at bank and derivative financial instruments are predominantly held with the Company's major relationship bank, Barclays Bank plc, and the Company considers this credit risk to be minimal.

There is no difference between the carrying amount and the maximum credit risk exposure. No collateral is held as security by the Company.

Capital risk management

The Company's objective is to return equity to the shareholders following its decision to cease trading.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, buy back issued shares, or sell assets to reduce debt.

Fair value estimation

The carrying value less impairment provision of trade receivables and payables and cash and cash equivalents approximate their fair values.

Globaltex Limited

Strategic Report for the financial year ended 31 January 2023 (continued)

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

By order of the Board



Danielle Gisbourne
Company Secretary
31 October 2023

Globaltex Limited

Report of the Directors for the financial year ended 31 January 2023

The Directors present their report and the audited financial statements of the Company for the financial year ended 31 January 2022.

RESULTS AND DIVIDENDS

The loss before taxation for the financial year amounted to £140,000 (2022: loss of £172,000).

During the financial year, the Company did not pay any dividends to the shareholders of the Company (2022: £nil).

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

A review of the financial year and likely developments is contained in the Strategic Report.

FINANCIAL RISK MANAGEMENT

Detail of the Company's financial risk management objectives and policies are contained in the Strategic Report.

DIRECTORS

The Directors of the Company who served during the financial year ended 31 January 2023 and up to the date of signing the financial statements were as follows:

- Lisa Montague
- Mike Woodcock

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 1 to the financial statements, the Directors do not believe the going concern basis to be appropriate and, in consequence, these financial statements have not been prepared on that basis.

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 and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors 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' CONFIRMATIONS

In the case of each Director in office at the date the Report of the Directors' is approved:

- so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Globaltex Limited

Report of the Directors for the financial year ended 31 January 2022 (continued)

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

During the financial year, the Company maintained Directors' and officers' liability insurance.

INDEPENDENT AUDITORS

The auditors, BDO LLP, were appointed by the Directors during the year following a formal tender process. BDO LLP have indicated their willingness to continue in office, and a resolution that they be appointed will be proposed at the AGM.

By order of the Board



Danielle Gisbourne
Company Secretary
31 October 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBALTEX LIMITED***Opinion on the financial statements***

In our opinion Globaltex Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2023 and of its loss 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.

We have audited the financial statements of Globaltex Limited ("the Company") for the year ended 31 January 2023 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity and the 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 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

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

Independence

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.

Emphasis of matter - Financial statements prepared on a basis other than that of a going concern

We draw your attention to note 1 of the financial statements, which explains that the Company has ceased to trade and therefore do not consider the Company to be a going concern. Accordingly, the financial statements have been prepared on a basis other than going concern as described in note 1. Our opinion is not modified in respect of this matter.

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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

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

- the information given in the Strategic report and Report of the Directors for the financial year ended 31 January 2023 is consistent with the financial statements; and
- the Strategic report and Report of the Directors have been prepared in accordance with applicable legal requirements.

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 or Report of the Directors.

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 Statement of Directors' Responsibilities in respect of the financial statements, 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 either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations

we considered the significant laws and regulations to be applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice) and UK tax legislation.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be employment law and the health and safety legislation etc.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Given the nature of the entity and the activities in the year, we obtained assurance by substantively agreeing all material transactions in the year and year-end balances to supporting evidence. We also reviewed the company's accounting policies for non-compliance with relevant standards. Our work also included considering significant accounting estimates for evidence of misstatement or possible bias.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our 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.

DocuSigned by:

Gareth Singleton

Gareth Singleton (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Birmingham, UK

31 October 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Globaltex Limited

Income Statement

For the financial year ended 31 January 2023

	Note	2023 £000	2022 £000
Revenue		-	-
Cost of sales		-	(9)
Gross loss		-	(9)
Net operating expenses:			
Distribution costs		11	(6)
Administration expenses		(149)	(141)
Operating loss	2	(138)	(156)
Finance costs	4	(2)	(16)
Loss before taxation		(140)	(172)
Tax credit	7	-	2
Loss for the financial year		(140)	(170)

There is no other comprehensive income other than the profit shown above, therefore, a Statement of Comprehensive Income has not been presented.

The notes on pages 12 to 19 form an integral part of these financial statements.

Globaltex Limited

Balance Sheet

As at 31 January 2023

	Note	2023 £000	2022 £000
Fixed assets			
Property, plant and equipment	8	-	8
Right-of-use assets	9	8	17
		8	25
Current assets			
Other receivables	10	20,634	21,433
Cash and cash equivalents	12	174	362
		20,808	21,795
Current liabilities			
Trade and other payables	11	(73)	(928)
Lease liabilities	9	(7)	(9)
		(80)	(937)
Net current assets		20,728	20,858
Total assets less current liabilities		20,736	20,883
Lease liabilities	9	-	(7)
Net assets		20,736	20,876
Capital and reserves			
Called up share capital	13	-	-
Retained earnings		20,736	20,876
Total shareholders' funds		20,736	20,876

The notes on pages 12 to 19 form an integral part of these financial statements.

The financial statements on pages 9 to 19 were approved by the Board of Directors on 31 October 2023 and signed on its behalf by:



Lisa Montague
Director



Mike Woodcock
Director

Registered number: 03890074

Globaltex Limited

Statement of Changes in Equity

For the financial year ended 31 January 2023

	Called up share capital (note 13) £000	Retained earnings £000	Foreign currency reserve £000	Total shareholders' funds £000
Balance at 1 February 2021	-	21,105	-	21,105
Loss for the financial year	-	(170)	(59)	(229)
Reclassification		(59)	59	-
Balance at 31 January 2022	-	20,876	-	20,876
Loss for the financial year	-	(140)	-	(140)
Balance at 31 January 2023	-	20,736	-	20,736

The notes on pages 12 to 19 form an integral part of these financial statements.

Globaltex Limited

Notes to the Financial Statements

For the financial year ended 31 January 2023

1. Accounting policies and general information

Globaltex Limited is a non-trading company with limited assets and liabilities.

The Company is a private company, limited by shares, domiciled in the UK and incorporated in England & Wales under the Companies Act 1985. The company registration number is 03890074 and the address of its registered office is listed on page 2.

These financial statements were prepared in accordance with the Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, and with the accounting policies set out below.

Basis of preparation

These financial statements have been prepared in accordance with the Companies Act 2006 as applicable to companies using FRS 101. The financial statements have been prepared under the historical cost convention, and with the accounting policies set out below.

In accordance with FRS 101, the following exemptions from the requirements of IFRSs have been applied in the preparation of these financial statements:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined)
- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - a. paragraph 79(a)(iv) of IAS 1;
 - b. paragraph 73(e) of IAS 16 'Property, plant and equipment';
 - c. paragraph 118(e) of IAS 38 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period); and
 - d. paragraphs 76 and 79(d) of IAS 40 'Investment Property'.
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - (i) 10(d) (statement of cash flows);
 - (ii) 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
 - (iii) 16 (statement of compliance with all IFRS);
 - (iv) 38A (requirement for minimum of two primary statements, including cash flow statements);
 - (v) 111 (cash flow statement information); and
 - (vi) 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a Company
- Paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36, 'Impairment of Assets'
- The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 'Business Combinations'

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

All amounts in these financial statements have been rounded to the nearest thousand.

Going Concern

The Company is a wholly owned trading subsidiary company of the Company of companies (the "Sanderson Design Company") headed by its ultimate parent company, Sanderson Design Company PLC.

The Company has ceased to trade. The financial statements have therefore not been prepared on a going concern basis. Preparing the accounts non on a going concern basis did not result in any changes to the carrying value or presentation of the results and assets and liabilities presented in the financial statements.

Globaltex Limited

Notes to the Financial Statements (cont'd)

1. Accounting policies and general information (cont'd)

Foreign currencies

For the purpose of the financial statements, the results and financial position are expressed in Sterling, which is the functional; currency of the Company, and presentation currency for the financial statements. Transactions in foreign currencies, which are those other than the functional currency of the Company, are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the rate ruling at the Balance Sheet date. All unhedged exchange differences are recognised in the Income Statement for the period within administration expenses.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any recognised impairment loss. Historical cost comprises the purchase price and costs directly incurred in bringing the asset into use. The assets' residual values and useful lives are reviewed annually and adjusted, if appropriate, at each Balance Sheet date.

Depreciation is charged on a straight-line basis on the original costs (excluding freehold land) after deduction of any estimated residual value. The principal annual rates are:

Freehold buildings	2%
Leasehold improvements	Over the length of the lease
Plant, equipment and vehicles	Between 5% and 33%
Computer hardware	33%

Government grants received for property, plant and equipment are included within other payables and deferred revenue and released to the Income Statement over the life of the asset.

Investments

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the Directors when there has been an indication of potential impairment.

Impairment of non-financial assets

Intangible assets with finite useful lives and property, plant and equipment are tested for impairments if events or changes in circumstances (assessed at each reporting date) indicate that the carrying amount may not be recoverable. When an impairment test is conducted, the recoverable amount is assessed by reference to the higher of the value in use (net present value of expected future cash flows of the relevant cash-generating unit), or the fair value less cost to sell.

If a cash-generating unit is impaired, provision is made to reduce the carrying amount of the related assets to their estimated recoverable amount. Impairment losses are allocated firstly against goodwill, and secondly on a pro rata basis against intangible and other assets.

Non-financial assets other than goodwill that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial assets and liabilities – measurement basis

Financial assets and liabilities are recognised on the date on which the Company becomes a party to the contractual provisions of the instrument giving rise to the asset or liability. Financial assets and liabilities are initially recognised at fair value plus transaction costs and are continually reviewed for impairment going forward. Any impairment of a financial asset is charged to the Income Statement when incurred. Financial assets are derecognised when the Company's rights to cash inflows from the asset expire; financial liabilities are derecognised when the contractual obligations are discharged, cancelled or expired.

Non-derivative financial assets are classified as either amortised cost or fair value through profit and loss. This category includes:

- 'trade and other receivables' and 'minimum guarantee licence receivable' – these are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides goods directly to a customer, or advances money, with no intention of trading the loan or receivable. Trade receivables are recognised initially at the amount of consideration that is unconditional. Subsequent to initial recognition, loans and receivables are included in the Balance Sheet at amortised cost using the effective interest method less any amounts written off to reflect impairment, with changes in the carrying amount recognised in the Income Statement within distribution and selling or administration expenses. The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and days past due. The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 January 2022 or 31 January 2021 respectively and the corresponding historical credit losses experiences within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. We use historical credit loss experience for trade receivables to estimate the lifetime expected credit losses as relevant. We apply specific fixed provision rates depending on the number of days that a receivable is past due. The Company's historical credit loss experience for different customer segments being customer rating and type of customer. The carrying amount of the asset is reduced through the use of a provision account and the amount of the loss is recognised in the Income Statement within distribution and selling expenses. When a trade receivable is uncollectible, it is written off against the provision account for trade receivables. Subsequent recoveries of amounts previously written off are credited against distribution and selling expenses in the Income Statement.
- 'cash and cash equivalents' – these comprise deposits with an original maturity of three months or less with banks and financial institutions, bank balances, bank overdrafts with the right of offset and cash in hand.

Globaltex Limited

Notes to the Financial Statements (cont'd)

1. Accounting policies and general information (cont'd)

Financial assets and liabilities – measurement basis (cont'd)

The Company's non-derivative financial liabilities are classified as 'Other liabilities'. Other liabilities are financial liabilities with fixed or determinable payments that are not quoted in an active market. They arise when the Company receives goods or services directly from a payable or supplier, or borrows money, with no intention of trading the liability. This category includes:

- 'trade and other payables' – these are typically non-interest bearing and following initial recognition are included in the Balance Sheet at amortised cost using the effective interest method;
- 'bank loans and overdrafts' – these are initially recorded at fair value based on proceeds received net of issue costs and subsequently held at amortised cost using the effective interest method; and
- 'borrowings' – these are recorded initially at the fair value, net of direct issue costs, and are subsequently stated at amortised cost. Finance charges, including premiums payable on settlement, or redemption and direct issue costs, are accounted for in the Income Statement, using the effective interest method, and are included within the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Borrowing costs are capitalised as an increase to the carrying value of software or property, plant and equipment on major projects where their impact is material.

Cash and cash equivalents

Cash and cash equivalents represent only liquid assets with original maturity of 90 days or less. Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts that cannot be offset against other cash balances are shown within borrowings in current liabilities on the Balance Sheet.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

Leases

Definition of a lease

Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

Lessee accounting

At the lease commencement date, a right-of-use asset is recognised for the leased item with a corresponding lease liability for any payments due. The right-of-use asset is initially measured at cost, being the present value of the lease payments paid or payable (net of any incentives received from the lessor), plus any initial direct costs and/or restoration costs.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the asset's useful life or the end of the lease term. The lease term is the noncancellable period of the lease plus any periods for which the Company is 'reasonably certain' to exercise any extension options. If right-of-use assets are considered to be impaired, the carrying value is reduced accordingly.

For assets where the lessor transfers ownership of the underlying asset to the Company by the end of the lease term, or where the lease contains a purchase option at a nominal/notional value, then these assets will be initially classified as property, plant and equipment, and subsequently be depreciated in accordance with the depreciation policy.

The lease liability is initially measured at the value of future lease payments, discounted using the interest rate implicit in the lease. Where this rate is not determinable, the Company's incremental borrowing rate is used, which is then adjusted to reflect an estimate of the interest rate the Company would have to pay to borrow the amount necessary to obtain an asset of similar value, in a similar economic environment, and with similar terms and conditions.

After initial recognition, the lease liability is recorded at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate (e.g. an inflation related increase) or if the Company's assessment of the lease term changes. Any change in the lease liability as a result of these changes also results in a corresponding change in the recorded right-of-use asset. Payments in respect of short-term and/or low-value leases continue to be charged to the income statement on a straight-line basis over the lease term.

Employee benefits – share-based payments under Long-Term Incentive Plans ('LTIP')

The Company, through its ultimate parent undertaking, issues equity-settled share-based payments to certain employees.

Employee benefits – short-term bonus plans

The Company recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Globaltex Limited

Notes to the Financial Statements (cont'd)

1. Accounting policies and general information (cont'd)

Share capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds. Dividend distribution is set by the Board on a regular basis so long as sufficient funds are available.

Taxation including deferred income tax

The tax expense represents the sum of the current tax and deferred tax charges or credits.

Current tax is based on the taxable profit for the year. Taxable profits differ from the 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 Balance Sheet date. Current tax includes withholding taxes from sales and licensing income in overseas territories.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

IAS 12 'Income taxes' requires that the measurement of deferred tax should have regard to the tax consequences that would follow from the manner of expected recovery or settlement at the Balance Sheet date of the carrying amount of its assets and liabilities. In calculating its deferred tax liability the Company's policy is to regard the depreciable amount of the carrying value of its property, plant and equipment to be recovered through continuing use in the business, unless included within assets held for resale, where the policy is to regard the carrying amount as being recoverable through sale.

Deferred tax assets are recognised only to the extent it is probable that future taxable profits will be available against which temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet 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 relating to retirement benefit obligations is recognised in equity where the tax relief arises from contributions paid to fund deficits arising in previous periods that were recognised in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities and there is an intention to settle the balances on a net basis.

Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

2. Operating loss

	2023 £000	2022 £000
Operating loss/ is stated after charging / (crediting):		
Depreciation of property, plant and equipment and right-of-use assets	17	74
Government Covid-19 employee related support	-	(9)
Net foreign exchange losses / (gains)	98	(69)

3. Auditors' remuneration

	2023 £000	2022 £000
Fees payable to Company's auditors for the audit of the financial statements	-	-

The auditors' remuneration has been borne by another group undertaking.

Globaltex Limited

Notes to the Financial Statements (cont'd)

4. Finance costs

	2023 £000	2022 £000
Interest expense:		
Interest payable on bank borrowings	-	(14)
Lease interest	(2)	(2)
Net finance costs	(2)	(16)

5. Emoluments of Directors

The Directors did not receive any remuneration from the Company (2022: £nil). The Directors are remunerated by Sanderson Design Group PLC, the ultimate parent undertaking. No apportionment can easily be made in respect of their services to the Company. Directors emoluments are fully disclosed within the 2023 Annual Report & Accounts of Sanderson Design Group PLC.

6. Employee Information

	2023 £000	2022 £000
Other pension costs	-	9
Total employee benefit expense	-	9

7. Tax credit

	2023 £000	2022 £000
Current tax:		
- adjustments in respect of prior periods	-	(2)
Total tax credit for the financial year	-	(2)

8. Property, plant and equipment

	Leasehold improvements £000
Cost	
1 February 2022	85
Additions	-
Disposals	-
31 January 2023	85
Accumulated depreciation and impairment	
1 February 2022	77
Charge	8
Reclassifications	-
Disposals	-
31 January 2023	85
Net book amount	
31 January 2023	-
31 January 2022	8

The total depreciation expense of £8,000 (2022: £32,000) has been included in administration expenses.

Globaltex Limited

Notes to the Financial Statements (cont'd)

9. Leases

As a lessee

As a lessee Information about leases for which the Company is a lessee is presented below:

Right-of-use assets

	Leasehold properties £000	Vehicle £000	Planet and equipment £000	Total £000
Cost				
31 January 2022	62	34	29	125
Disposals	(62)	(34)	–	(96)
31 January 2023	-	-	29	29
Accumulated depreciation and impairment				
31 January 2022	58	33	17	108
Charge	4	1	4	9
Disposals	(62)	(34)	-	(96)
31 January 2023	-	-	21	21
Net book amount				
31 January 2023	-	-	8	8
31 January 2022	4	1	12	17

Lease liabilities

	Leasehold properties £000	Plant and equipment £000	Total £000
Balance			
31 January 2022	4	12	16
Amounts paid	(4)	(5)	(9)
31 January 2023	-	7	7

	2023 £000	2022 £000
Lease liabilities		
Maturity analysis – contractual undiscounted cash flows		
Less than one year	8	10
One to five years	-	8
Total undiscounted cash flows	8	18
Current (note 17)	7	9
Non-current	-	7
Total lease liabilities	7	16

Globaltex Limited

Notes to the Financial Statements (cont'd)

10. Other receivables

Current	2023 £000	2022 £000
Amounts owed by group undertakings	20,592	21,253
Corporation tax	2	-
Other receivables	31	169
Prepayments	9	11
	20,634	21,433

Amounts owed by group undertakings are non-interest bearing and are unsecured. These loans are repayable on demand by the Company should payment be required but have no fixed date of repayment.

There is no material difference between the carrying amount and the fair value of other receivables. There is no material difference between the carrying amount and the fair value of other receivables.

11. Trade and other payables

	2023 £000	2022 £000
Trade creditors	21	35
Corporation tax	-	844
Accruals	52	49
	73	928

Amounts owed to group undertakings are the prior year Corporation tax was paid by Sanderson Design Group PLC in the year.

12. Financial instruments

The accounting policies for financial instruments have been applied to the line items below:

31 January 2023	Amortised cost £000	Assets at fair value £000	Total £000
Assets as per Balance Sheet			
Other receivables	20,625		20,625
Cash and cash equivalents	362	-	362
Total	20,987	-	20,987

31 January 2023	Other financial liabilities £000	Liabilities at fair value £000	Total £000
Liabilities as per Balance Sheet			
Lease liabilities	7	-	7
Trade and other payables	73	-	73
Total	80	-	80

Globaltex Limited

Notes to the Financial Statements (cont'd)

31 January 2022	Amortised cost £000	Assets at fair value £000	Total £000
Assets as per Balance Sheet			
Trade and other receivables	21,422		21,422
Cash and cash equivalents	362	-	362
Total	21,784	-	21,784

31 January 2022	Other financial liabilities £000	Liabilities at fair value £000	Total £000
Liabilities as per Balance Sheet			
Lease liabilities	16	-	16
Trade and other payables	928	-	928
Total	944	-	944

For the Company's cash at bank, the counterparty to the financial instruments is a major UK bank, and the Company does not consider there to be any significant credit risk from holding these financial assets.

13. Called up share capital

Ordinary shares of £1 each:	Number of shares	£ 000
Allotted, called up and fully paid:		
31 January 2023	2	-
31 January 2022	2	-

All holders of ordinary shares have the right to vote at general meetings of the Company and to distributions from dividends or on winding up of the Company.

14. Ultimate parent undertaking

The Company is a wholly owned subsidiary undertaking of Globaltex 2015 Limited which is registered in England and Wales. The ultimate parent undertaking and controlling party is Sanderson Design Group PLC (formerly Walker Greenbank PLC), which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Copies of the 2022 Annual Report & Accounts of Sanderson Design Group PLC can be obtained from the Company Secretary at Sanderson Design Group PLC, Chalfont House, Oxford Road, Denham, UB9 4DX.

15. Contingent liabilities

The Company is party to a cross guarantee with its ultimate parent undertaking in relation to the borrowings of the Company under the funding arrangements with Barclays Bank PLC. The amount of contingent liability is £nil (2022: £nil).

16. Dividends

During the financial year, the Company did not pay any dividends to the shareholders of the Company (2022: £nil).

17. Related party transactions

Under FRS 101, the Company is exempt from disclosing related party transactions with entities within the Sanderson Design Group, as the Company is wholly owned by a member of that group.