Company No. 09939686

# Globaltex 2015 Limited

## Annual Report and Financial Statements

## for the year ended 31 January 2018

# Globaltex 2015 Limited
## Report and Financial Statements for the year ended 31 January 2018

# Globaltex 2015 Limited
## Officers and Professional Advisors

**Directors**
J D Sach
M D Gant

**Secretary**
Caroline Geary

**Registered office**
Chalfont House
Oxford Road
Denham
UB9 4DX

**Independent Auditors**
PricewaterhouseCoopers LLP
10 Bricket Road
St Albans
Herts
AL1 3JX

**Bankers**
Barclays Commercial Bank
Ashton House
497 Silbury Boulevard
Milton Keynes
MK9 2LD

# Globaltex 2015 Limited
## Strategic Report for the year ended 31 January 2018

The Directors present their strategic report of Globaltex 2015 Limited ("the Company") for the year ended 31 January 2018.

**PRINCIPAL ACTIVITIES**

The Company does not trade and acts as a holding company of Globaltex Limited, a private company incorporated and domiciled in the UK with registered number 03890074.

**REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

The Company was incorporated as a private limited company under the Companies Act 2006 in England and Wales on 7 January 2016.

The Company and its subsidiary are part of the Walker Greenbank Group (the "Group") and are included in the consolidated financial statements of Walker Greenbank PLC, the ultimate parent undertaking, which are publicly available.

The Directors do not envisage any change to the business of the Company in the foreseeable future.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The risks and uncertainties of the Company are managed at the Group level, details of which are disclosed in the 2018 Annual Report and Accounts of Walker Greenbank PLC on pages 26 and 27. The Directors have identified specific risks for the Company and these are explained below.

**Valuation of investments in subsidiaries**
The impairment in value of the investments in subsidiaries is a key risk for holding companies. The carrying value of the Company's investments are reviewed by the Directors if events or changes in circumstances (assessed at each reporting date) indicate that there is a potential impairment. If an investment is impaired, provision is made to reduce the carrying amount of the investment.

**Recoverability of intercompany receivables**
The Company's group undertakings may not be able to settle an amount due to the Company if amounts are due from group companies with net current liabilities or if they are otherwise unable to settle a receivable. The ultimate parent undertaking, Walker Greenbank PLC, commits to providing adequate funding required to settle such balances as they fall due.

By order of the Board

**Caroline Geary**
Company Secretary
19 September 2018

# Globaltex 2015 Limited
## Report of the Directors for the year ended 31 January 2018

The Directors present their report and the audited financial statements of the Company for the year ended 31 January 2018.

**Results and dividends**
The results of the Company are presented on pages 7 to 9.

The Directors do not recommend the payment of a final dividend in respect of the year ended 31 January 2018.

**Business review and future developments**
A review of the year and likely developments is contained in the Strategic Report on page 3.

**Financial Risk Management**
Detail of the Company's financial risk management objectives and policies, are contained in the Strategic Report on page 3.

**Directors**
The Directors of the Company who served during the year ended 31 January 2018 and up to the date of signing the financial statements were as follows:

J D Sach
M D Gant

### 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 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 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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.

In the case of each director in office at the date the Directors' Report 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.

**Independent Auditors**
PricewaterhouseCoopers LLP (PwC) were appointed as the Company's external auditors commencing with the financial period ended 31 January 2017. The appointment was approved by the Directors at a board meeting during the period on behalf of the shareholders, given that the shareholders have elected to dispense with an Annual General Meeting. The auditors are subject to annual re-election and will be reappointed by the Directors.

By order of the Board

Caroline Geary

**Caroline Geary**
Company Secretary
19 September 2018

# Globaltex 2015 Limited
## Independent auditors' report to the members of Globaltex 2015 Limited

### Report on the audit of the financial statements

**Opinion**

In our opinion, Globaltex 2015 Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2018 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 January 2018; the income statement, the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

**Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

*Strategic Report and Report of the Directors*

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 year ended 31 January 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Directors.

**Responsibilities for the financial statements and the audit**

*Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of the Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

*Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

*Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### Other required reporting

**Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

John Minards (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
24 September 2018

# Globaltex 2015 Limited

## Income Statement

For the year ended 31 January 2018

| | Year ended 31 January 2018 £ | 7 January 2016 to 31 January 2017 £ |
|---|---|---|
| Administration expenses – bank charges | - | (1) |
| Dividends received from subsidiary | - | 52,100 |
| **Profit before interest and taxation** | - | 52,099 |
| Finance costs | - | - |
| **Profit before taxation** | - | 52,099 |
| Tax expense | - | - |
| **Profit for the year** | - | 52,099 |

All of the activities arise from continuing operations.

There are no recognised gains or losses other than the profit shown above, therefore, no Statement of Comprehensive Income has been presented.

The notes on pages 10 to 14 form an integral part of these financial statements.

# Globaltex 2015 Limited

## Balance Sheet

As at 31 January 2018

| | Note | 2018<br>£ | 2017<br>£ |
|---|---|---|---|
| **Fixed assets** | | | |
| Investments | 6 | **9,998** | **9,998** |
| | | **9,998** | **9,998** |
| **Current assets** | | | |
| Trade and other receivables | | **2** | **2** |
| Cash at bank and in hand | | **105** | **105** |
| **Total current assets** | | **107** | **107** |
| Creditors: amounts falling due within one year | | **-** | **-** |
| **Net current assets** | | **107** | **107** |
| | | | |
| **Net assets** | | **10,105** | **10,105** |
| | | | |
| **Capital and reserves** | | | |
| Called up share capital | 8 | **10,006** | **10,006** |
| Retained earnings | | **99** | **99** |
| **Total shareholders' funds** | | **10,105** | **10,105** |

The notes on pages 10 to 14 form an integral part of these financial statements.

The financial statements on pages 7 to 14 were approved by the Board of Directors on 19 September,2018 and signed on its behalf by

**J D Sach**
Director

**M D Gant**
Director

**Registered number: 09939686**

# Globaltex 2015 Limited

## Statement of Changes in Equity

For the year ended 31 January 2018

| | Called up share capital (note 8) £ | Retained earnings £ | Total shareholders' funds £ |
|---|---|---|---|
| **Balance at 7 January 2016** | 2 | - | 2 |
| Profit for the period | - | 52,099 | 52,099 |
| Transactions with owners, recognised directly in equity: | | | |
| Shares allotted for purchase of entire issued share capital of Globaltex Limited | 9,998 | - | 9,998 |
| Allotment, consolidation and re-designation of class A ordinary shares | 6 | - | 6 |
| Dividends paid to shareholders prior to sale of the business to Walker Greenbank PLC | - | (52,000) | (52,000) |
| **Balance at 31 January 2017 and 31 January 2018** | **10,006** | **99** | **10,105** |

The notes on pages 10 to 14 form an integral part of these financial statements.

# Globaltex 2015 Limited
## Notes to the Financial Statements
For the year ended 31 January 2018

**1. Accounting policies and general information**

**General information**
The Company acts as a holding company of Globaltex Limited (the "subsidiary"), a private company incorporated in the UK.

The Company is a private company, limited by shares, domiciled in the UK and registered in England The Company registration number is 09939686, and the address of its registered office is Chalfont House, Oxford Road, Denham, UB9 4DX.

**Basis of consolidation**
The Company and the subsidiary have taken advantage of the exemption provided by section 400 of the Companies Act 2006 not to prepare consolidated financial statements, as the Company is included in the consolidated financial statements of Walker Greenbank PLC, the ultimate parent undertaking, whose consolidated financial statements are publicly available. Accordingly, these financial statements present information about the Company as an individual undertaking and not as a group.

The presentation of information contained within these financial statements has been revised to more closely align the presentation followed by the Company's ultimate parent undertaking, Walker Greenbank PLC.

**Basis of preparation**
These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework', (FRS 101) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention and with the accounting policies set out below which have been consistently applied to all periods presented unless otherwise indicated.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore the Company continues to adopt the going concern basis in preparing its financial statements.

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:
  (i) paragraph 79(a)(iv) of IAS 1;
  (ii) paragraph 73(e) of IAS 16 Property, plant and equipment;
  (iii) paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
- 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) 38B-D (additional comparative information),
  (vi) 40A-D (requirements for a third statement of financial position
  (vii) 111 (cash flow statement information), and
  (viii) 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)

**1. Accounting policies and general information** (continued)

**Basis of preparation** (continued)

- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group
- 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 2.

**Investments**

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for 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.

Impairment reviews are performed by the Directors if events or changes in circumstances (assessed at each reporting date) indicate a potential impairment.

**Financial assets and liabilities – measurement basis**

In accordance with FRS 101, 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 expire.

Non-derivative financial assets are classified as 'loans and receivables' according to the purpose for which the asset was acquired. This category includes:

- 'trade and other receivables' - 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. 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; and
- 'cash at bank and in hand' - this comprises deposits repayable on demand with banks and financial institutions, bank balances and cash in hand.

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:

- 'creditors' - these are typically non-interest bearing and following initial recognition are included in the Balance Sheet at amortised cost using the effective interest method; and
- '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.

The Company has no derivative financial instruments or embedded derivatives that are not closely related to the host instrument.

# Globaltex 2015 Limited
## Notes to the Financial Statements (continued)

**1. Accounting policies and general information** (continued)

**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**
The tax expense represents current tax charges or credits.

Current tax is based on the taxable profit for the year. Taxable profits differs 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.

**Dividend income and distributions**
Dividend income is recognised when the right to receive payment is established.

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. Critical accounting estimates and assumptions**

The Company makes estimates and assumptions concerning future events. The resulting accounting estimates will seldom precisely equal the related actual results. The Company applies its best endeavours in setting accounting estimates, and uses historical experience and other factors, including input from experienced and specialist management. Estimates and assumptions are periodically re-evaluated and the resulting accounting balances updated as new information including actual outcomes become apparent.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

***a) Going concern***
The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In making this assessment the Directors have considered the following:

- the Company is only a holding company with no future plans to trade;
- the Company has no current liabilities as at 31 January 2018;
- the Walker Greenbank Group, of which the Company and its subsidiary are part of, will continue to provide support to the Company for its short term day to day cash management, if required.

Therefore the Company continues to adopt the going concern basis in preparing its financial statements.

***b) Valuation of investments in subsidiaries***
The impairment in value of the investments in subsidiaries is a key risk for holding companies. The carrying value of the Company's investments are reviewed by the Directors if events or changes in circumstances (assessed at each reporting date) indicate that there is a potential impairment. If an investment is impaired, provision is made to reduce the carrying amount of the investment.

***c) Recoverability of intercompany receivables***
The Company's group undertakings may not be able to settle an amount due to the Company if amounts are due from group companies with net current liabilities or if they are otherwise unable to settle a receivable. The ultimate parent undertaking, Walker Greenbank PLC, commits to providing adequate funding required to settle such balances as they fall due.

**3. Auditors' remuneration**

| | **Year ended 31 January 2018 £** | **7 January 2016 to 31 January 2017 £** |
|---|---|---|
| Fees payable to Company's auditors for the audit of the financial statements | - | **3,000** |

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

# Globaltex 2015 Limited

## Notes to the Financial Statements (continued)

### 4. Emoluments of Directors

The Directors did not receive any remuneration from the Company. The Directors are remunerated by Walker Greenbank 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 Walker Greenbank PLC consolidated financial statements.

### 5. *Tax expense*

| | Year ended 31 January 2018 £ | 7 January 2016 to 31 January 2017 £ |
|---|---|---|
| Current tax: | | |
| - UK, current tax | - | - |
| Corporation tax | - | - |
| | | |
| Total tax charge for the year | - | - |

| **Reconciliation of tax charge for the year** | **Year ended 31 January 2018 £** | **7 January 2016 to 31 January 2017 £** |
|---|---|---|
| Profit on ordinary activities before tax | - | **52,099** |
| Tax on profit on ordinary activities at 19.17% (13 month period to 31 January 2017:20.0%) | - | **10,420** |
| Tax effects of income not subject to tax | - | **(10,420)** |
| Tax charge for year | - | - |

**Factors affecting current and future tax charges**

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016 and became substantively enacted in Finance Bill 2016 on 6 September 2016 to reduce the main rate to 19% from 1 April 2017 and to 17% from 1 April 2020.

### 6. Investments

| Shares in subsidiary undertakings: | £ |
|---|---|
| **Cost:** | |
| At 1 February 2017 and 31 January 2018 | **9,998** |
| **Provision for impairment:** | |
| At 1 February 2017 and 31 January 2018 | - |
| **Net book amount at 31 January 2017 and 31 January 2018** | **9,998** |

On 1 July 2016 the Company allotted 9,998 ordinary shares of £1 each as consideration for purchase of the entire issued share capital of Globaltex Limited in accordance with the terms of a reconstruction agreement dated 1 July 2016. The Company has applied the merger relief under section 612 of the Companies Act 2006 and has recorded its investment in Globaltex Limited at the nominal value of the shares issued.

Globaltex 2015 Limited is registered and domiciled in the UK. Details of the Company's subsidiary, which is wholly owned are as follows:

| *Name of subsidiary undertaking* | *Country of incorporation and place of business* | *Holding* | *Proportion of voting rights / shares held by the Company* | *Nature of business* | *Registered office* |
|---|---|---|---|---|---|
| Globaltex Limited | UK | Ordinary shares | 100% | Luxury interior furnishings | Chalfont House, Oxford Road, Denham, UB9 4DX |

# Globaltex 2015 Limited
## Notes to the Financial Statements (continued)

### 7. Financial instruments by category

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

| 1 February 2017 and 31 January 2018 | Loans and receivables £ | Assets at fair value £ | Total £ |
|---|---|---|---|
| **Assets as per Balance Sheet** | | | |
| Trade and other receivables | **2** | - | **2** |
| Cash at bank and in hand | **105** | - | **105** |
| Total | **107** | - | **107** |

### 8. Called up Share Capital

Ordinary shares of £1 each:

| Allotted, called up and fully paid: | Number of shares | £ |
|---|---|---|
| At 7 January 2016 | 2 | 2 |
| Shares allotted for purchase of entire issued share capital of Globaltex Limited | 9,998 | 9,998 |
| Allotment, consolidation and re-designation of class A ordinary shares | 6 | 6 |
| At 31 January 2017 and 31 January 2018 | 10,006 | 10,006 |

On 1 July 2016 the Company allotted 9,998 ordinary shares of £1 each as consideration for purchase of the entire issued share capital of Globaltex Limited in accordance with the terms of a reconstruction agreement with the shareholders of Globaltex Limited dated 1 July 2016. The Company has applied the merger relief available under section 612 of the Companies Act 2006 and has not recognised any share premium on shares issued in connection with the acquisition.

On 28 October 2016, the Company allotted for cash, 567 Class A ordinary shares of 1p each. Another 33 Class A ordinary shares of 1p each were allotted on 31 October 2016 bringing the total to 600 Class A ordinary shares with an aggregate nominal value of £6. Class A ordinary shares carried the right to vote at general meetings of the Company but did not have a right to distributions from dividends or on winding up of the Company.

On 31 October 2016, the 600 Class A ordinary shares were consolidated into 6 Class A ordinary shares with a nominal value of £1 each with no change to the aggregate nominal value of all Class A shares. Subsequently, the resulting 6 Class A ordinary shares of £1 each were re-designated as 6 ordinary shares of £1 each pursuant to a special resolution dated 31 October 2016.

On 12 October 2016, Walker Greenbank PLC conditionally acquired 100% of the issued share capital of the Company, details of which are disclosed in the 2017 Annual Report and Accounts of the Walker Greenbank PLC on pages 87 and 88.

At 31 January 2017 the entire share capital of the Company comprised solely of ordinary shares. 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.

### 9. Ultimate and immediate parent undertaking

The ultimate and immediate parent undertaking and controlling party is Walker Greenbank PLC, which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Copies of Walker Greenbank PLC consolidated financial statements can be obtained from the Company Secretary at Walker Greenbank PLC, Chalfont House, Oxford Road, Denham, UB9 4DX.

### 10. Contingent liabilities

The Company is a party to a cross guarantee with its subsidiary with a fixed and floating charge over the companies' assets given to Barclays Bank PLC. The Company is also party to a cross guarantee with its ultimate parent undertaking under the funding arrangements of the Group with Barclays Bank PLC.

Company No. 03890074

# Globaltex Limited

## Annual Report and Financial Statements

## for the year ended 31 January 2018

# Globaltex Limited
## Annual Report and Financial Statements for the year ended 31 January 2018

# Globaltex Limited
## Officers and Professional Advisors

**Directors**
J D Sach
M D Gant

**Secretary**
Caroline Geary

**Registered office**
Chalfont House
Oxford Road
Denham
UB9 4DX

**Independent Auditors**
PricewaterhouseCoopers LLP
10 Bricket Road
St Albans
Herts
AL1 3JX

**Bankers**
Barclays Commercial Bank
Ashton House
497 Silbury Boulevard
Milton Keynes
MK9 2LD

# Globaltex Limited
## Strategic Report for the year ended 31 January 2018

The Directors present their strategic report of Globaltex Limited ("the Company") for the year ended 31 January 2018.

### PRINCIPAL ACTIVITIES

The Company, trading as Clarke & Clarke, supplies fabrics, wallpapers and soft furnishings to the retail and interior design market.

### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The results for the Company set out on pages 9 to 11 show a turnover of £21,212,000 for the period compared to £21,935,000 for the 13 months ended 31 January 2017. On a like for like basis, proforma revenue for the 12 months ended 31 January 2018 was 4.8% higher than the same period last year driven by an increase of 25.3% in exports to Europe and North America.

The Company remains committed to developing the EU and non-EU exports further and anticipates further growth, especially North America and the Far East. The Company's online ordering system continues to facilitate this growth.

Profit before taxation for the 12 month period was £3,929,000 compared to £3,947,000 for the 13 months ended 31 January 2017. On a like for like basis, proforma profit before taxation for 12 months to 31 January 2018 was 7.8% higher than the same period last year.

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

The Company will continue to source and create new designs to ensure products ranges remain fresh and on trend.

**Key performance indicators (KPI's)**
The Directors of Walker Greenbank PLC manage the Group's operations, including those of the Company which is a trading subsidiary of the Group. For this reason, the Directors believe that analysis using KPI's for the Company is not necessary or appropriate for an understanding of the Company. The development, performance and position of the Group, which includes the Company, is discussed on pages 1 to 39 of the Group's 2018 Annual Report & Accounts which does not form part of this report.

**Summary**
Clarke & Clarke's two brands, Clarke & Clarke and Studio G, are at the more affordable end of the market, complementing the Group's existing brands. Clarke & Clarke launched 19 new collections during the year; Studio G launched 10 new collections during the year and, for the first time, launched 10 new collections in the US during the second half via the second largest US wholesale distributor.

Studio G branded ready-made curtains were launched in September 2017 and have been introduced into both independent and retail chain stores throughout the UK. January 2018 saw the official launch of Oasis-branded bedding, a licensed collaboration between Clarke & Clarke and the UK women's fashion brand, taking signature patterns from the Oasis archive and distributing beautiful bedding through the Clarke & Clarke retail network. 2019 will see the Oasis brand expand into fabrics, wallpapers and furniture, targeting major retail groups as well as existing independent retailers.

### PRINCIPAL RISKS AND UNCERTAINTIES

The risks and uncertainties of the Company are managed at the Group level, details of which are disclosed in the 2018 Annual Report & Accounts of the Walker Greenbank Group on pages 26 and 27.

### BUSINESS RISKS

The Directors have identified a number of financial 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.

Risks outside of the control of the Directors would be the impact of an event of a global nature or a significant downturn in the UK market. Business continuity and disaster recovery plans are regularly reviewed to ensure that any interruption to the Company's core business operations is effectively managed.

# Globaltex Limited
## Strategic Report for the year ended 31 January 2018 (continued)

**FINANCIAL INSTRUMENTS**

**Interest rate risk**
As the Company has no significant interest bearing assets its revenue and cash generated from operations are substantially independent of changes in market interest rates.

**Foreign currency risk**
The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Company's functional currency.

The Walker Greenbank Group's, including the Company's, policy is, where possible, to allow the Group's entities to settle liabilities in their functional currency with the cash generated from their operations in that currency. Where the Group's entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them) cash already denominated in that currency will, where possible be transferred from elsewhere in the Group.

All foreign currencies are bought and sold by Walker Greenbank PLC, the ultimate parent company. Regular reviews take place of the foreign currency cash flows and any unmatched exposures are covered by forward contracts entered into by the ultimate parent company wherever economically practical.

**Credit risk**
Credit risk arises from the Company's trade and other receivables and cash held with banks. It is the risk that the counterparty fails to discharge its obligation in respect of the instrument. Cash at bank is predominantly held with the Company's major relationship bank, Barclays Bank PLC, and the Company considers this credit risk to be minimal.

The Company does not have any significant credit risk exposure to any single company or group of companies within trade receivables, as the nature of the Company's operations mean that trade receivables consist of a large number of customers spread across diverse industries and geographical areas.

Prior to accepting new customers an independent credit check is obtained. Based on this information individual credit limits and payment terms are established. If no independent credit ratings are available, customers are asked to pay on a proforma basis until creditworthiness can be established. The utilisation of credit limits is regularly monitored. Credit limits may only be exceeded with the authorisation from key management, this is dependent on the amount expected to exceed the limit and the Company's trading history with that customer.

**Liquidity risk**
Liquidity risk arises from the Company's management of working capital and the interest charges and principal repayments on its borrowings. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Walker Greenbank Group, including the Company, utilises facilities provided by Barclays Bank Plc. There is a term property facility of £nil (2017: £200,000) at 31 January 2018. In December 2015, the Group entered into a new £12,500,000 multi-currency revolving credit facility with Barclays Bank PLC for a five year period and cancelled the existing receivables facilities. The agreement also includes a £10,000,000 accordion facility option to further increase available funds which provides substantial headroom for future growth. The borrowings at the end of the year were £7,500,000 for the revolving facility (2017: £7,500,000). Under these facilities there was a borrowing headroom of £12,237,000 (2017: £12,391,000). The total facilities have a current limit of £22,500,000 (2017: £22,700,000).

All of the Group's bank facilities remain secured by first fixed and floating charges over the Group's assets

By order of the Board

Caroline Geary

**Caroline Geary**
Company Secretary
19 September 2018

# Globaltex Limited
## Report of the Directors for the year ended 31 January 2018

The Directors present their report and the audited financial statements of the Company for the period ended 31 January 2018.

**Results and dividends**
The profit before taxation for the period amounted to £3,929,000 (2017: £3,947,000).

During the period, the Company paid £nil interim dividends to the shareholders of the Company (2017: £208,000).

The Directors do not recommend the payment of a final dividend in respect of the year ended 31 January 2018 (2017: £nil).

**Business review and future developments**
A review of the period and likely developments is contained in the Strategic Report on page 3.

**Financial Risk Management**
Detail of the Group's financial risk management objectives and policies, are contained in the Strategic Report on pages 3 and 4.

**Directors**
The Directors of the Company who served during the year ended 31 January 2018 and up to the date of signing the financial statements were as follows:

J D Sach
M D Gant

**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 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 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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.

In the case of each director in office at the date the Directors' Report 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.

**Employees**
The Company ensures that its employees are informed on matters affecting them and on the progress of the Company by way of informal meetings and consultation with employees' representatives.

The Company ensures that the principles of equal opportunity in recruitment, career progression and remuneration are applied in each of its business units.

The Company is committed to ensuring that disabled persons are given full and fair consideration for employment when an appropriate vacancy arises, having regard to their particular aptitudes and abilities. Whenever possible, arrangements are made for the continuing employment of persons who have become disabled during service with the Company.

The Company ensures that appropriate training is available to all disabled employees and that they are given equal consideration in promotion and career opportunities available within the Company.

# Globaltex Limited

## Report of the Directors for the year ended 31 January 2018 (continued)

**Directors' and officers' liability insurance**
During the period, the Company maintained Directors' and officers' liability insurance.

**Research and development**
The Company continues to invest in its products to retain and enhance its market position.

**Statement of disclosure of information to auditors**
In the case of each of the persons who were a Director at the time when this annual report and financial statements were approved, the following applies:

(a) so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
(b) 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.

**Independent Auditors**
Following the acquisition of the Company's parent undertaking by Walker Greenbank PLC in October 2016, PricewaterhouseCoopers LLP (PwC) were appointed as the Company's external auditors commencing with the year ended 31 January 2017. The appointment was approved by the Directors at a board meeting during the period on behalf of the shareholders, given that the shareholders have elected to dispense with an Annual General Meeting. The auditors are subject to annual re-election and will be reappointed by the Directors.

By order of the Board

**Caroline Geary**
Company Secretary
19 September 2018

# Globaltex Limited
## Independent auditors' report to the members of Globaltex Limited

**Report on the audit of the financial statements**

**Opinion**

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 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 January 2018; the income statement, the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

**Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

*Strategic Report and Report of the Directors*

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 year ended 31 January 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Directors.

**Responsibilities for the financial statements and the audit**

*Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of the Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

*Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

*Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### Other required reporting

**Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

John Minards (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
20 September 2018

# Globaltex Limited
## Income Statement

For the year ended 31 January 2018

| | Note | Year ended 31 January 2018 £000 | 13 months ended 31 January 2017 £000 |
|---|---|---|---|
| Revenue | 3 | **21,212** | **21,935** |
| Cost of sales | | **(8,650)** | **(11,553)** |
| Gross profit | | **12,562** | **10,382** |
| Distribution and selling expenses - other | | **(3,713)** | **(1,842)** |
| Distribution and selling expenses – exceptional | 4 | **-** | **326** |
| Distribution and selling expenses | | **(3,713)** | **(1,516)** |
| Administration expenses - other | | **(4,922)** | **(4,768)** |
| Administration expenses - exceptional | 4 | **-** | **(158)** |
| Administration expenses | | **(4,922)** | **(4,926)** |
| **Profit from operations** | 5 | **3,927** | **3,940** |
| Finance income: Interest received on bank deposits | | **2** | **7** |
| **Profit before taxation** | | **3,929** | **3,947** |
| Income Tax expense | 9 | **(578)** | **(736)** |
| **Profit for the period** | | **3,351** | **3,211** |

All of the activities arise from continuing operations.

**Statement of Comprehensive Income**
There are no recognised gains or losses other than the profit shown above, therefore, no Statement of Comprehensive Income has been presented.

The notes on pages 12 to 25 form an integral part of these financial statements.

# Globaltex Limited

## Balance Sheet

As at 31 January 2018

| | Note | 31 January 2018 £000 | 31 January 2017 £000 |
|---|---|---|---|
| **Fixed assets** | | | |
| Property, plant and equipment | 10 | **520** | **319** |
| | | **520** | **319** |
| **Current assets** | | | |
| Inventories | 11 | **7,317** | **5,116** |
| Trade and other receivables | 12 | **10,354** | **7,199** |
| Cash at bank and in hand | | **1,433** | **3,023** |
| **Total current assets** | | **19,104** | **15,338** |
| Creditors: amounts falling due within one year | 13 | **(3,252)** | **(2,630)** |
| **Net current assets** | | **15,852** | **12,708** |
| **Total assets less current liabilities** | | **16,372** | **13,027** |
| Deferred income tax liabilities | 14 | **(24)** | **(30)** |
| **Net assets** | | **16,348** | **12,997** |
| **Capital and reserves** | | | |
| Called up share capital | 16 | **-** | **-** |
| Retained earnings | | **16,348** | **12,997** |
| **Total shareholders' funds** | | **16,348** | **12,997** |

The notes on pages 12 to 25 form an integral part of these financial statements.

The financial statements on pages 9 to 25 were approved by the Board of Directors on 19 September, 2018 and signed on its behalf by

**J D Sach**
Director

**M D Gant**
Director

**Registered number: 03890074**

# Globaltex Limited
## Statement of Changes in Equity
For the year ended 31 January 2018

| | Retained earnings £000 | Total shareholders' funds £000 |
|---|---|---|
| **Balance at 1 January 2016** | **9,994** | **9,994** |
| Profit for the financial period | 3,211 | 3,211 |
| Dividends paid to LC & EJC Holdings Limited prior to sale of the business to Globaltex 2015 Limited (note 17) | (156) | (156) |
| Transactions with owners, recognised directly in equity: | | |
| Dividends paid to Globaltex 2015 Limited | (52) | (52) |
| **Balance at 31 January 2017** | **12,997** | **12,997** |
| Profit for the financial period | 3,351 | 3,351 |
| **Balance at 31 January 2018** | **16,348** | **16,348** |

The notes on pages 12 to 25 form an integral part of these financial statements.

# Globaltex Limited
## Notes to the Financial Statements
For the year ended 31 January 2018

**1. Accounting policies and general information**

**General information**
Globaltex Limited, trading as Clarke & Clarke ("the Company") is a designer and worldwide distributor of interior fabrics, wallcoverings and soft furnishings with the brands Clarke & Clarke and Studio G.

The Company is a private company, limited by shares, domiciled in the UK and registered in England. The company registration number is 03890074 and the address of its registered office is Chalfont House, Oxford Road, Denham, UB9 4DX.

**Basis of consolidation**
The Company is included in the consolidated financial statements of Walker Greenbank PLC, the ultimate parent undertaking whose consolidated financial statements are publicly available. Accordingly, these financial statements present information about the Company as an individual undertaking.

The presentation of information contained within these financial statements has been revised to more closely align the presentation followed by the Company's ultimate parent undertaking, Walker Greenbank PLC.

**Basis of preparation**
These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework', (FRS 101) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention and with the accounting policies set out below which have been consistently applied to all periods presented unless otherwise indicated.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore the Company continues to adopt the going concern basis in preparing its financial statements.

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:
  - (i) paragraph 79(a)(iv) of IAS 1;
  - (ii) paragraph 73(e) of IAS 16 Property, plant and equipment;
  - (iii) paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
- 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) 38B-D (additional comparative information)
  - (vi) 111 (cash flow statement information), and
  - (vii) 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 group
- Paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36, 'Impairment of Assets'

**1. Accounting policies and general information** (continued)

**Basis of preparation** (continued)
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 2.

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

**Foreign currencies**
For the purpose of the financial statements, the Company's functional and presentation currency is sterling (£).

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.

**Intangible Assets - Software**
Acquired computer software licences are capitalised at the cost incurred to bring the asset into use, including where relevant directly attributable internal costs incurred in preparing the software for operation. The costs are amortised to their estimated residual value over their estimated useful life which range from three to 10 years on a straight-line basis. Software amortisation commences when the asset goes into operational use by the business. The measurement basis used for software is cost less accumulated amortisation and impairment.

**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 after deduction of any estimated residual value. The principal annual rates are:

| | |
|---|---|
| Leasehold improvements | Over the length of the lease |
| Plant, equipment and vehicles | Between 5% and 33% |
| Fixtures and fittings | 10% |
| Computer hardware | 33% |

**Impairment of non-financial assets**
Property, plant and equipment are tested for impairment if events or changes in circumstances (assessed at each reporting date) indicate that the carrying amount may not be recoverable. Where impairment triggers are identified, the recoverable amount of the relevant asset or group of assets within a cash generating unit, is determined, being the higher of value in use and net realisable value. If the carrying amount of the asset exceeds its recoverable amount an impairment loss is calculated. Any impairment is recognised in the Income Statement in the year in which it occurs. Non-financial assets that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

**Inventories**
Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials, on a first-in, first-out basis, and direct labour, plus attributable production overheads based on a normal level of activity. Net realisable value is based on estimated selling prices less anticipated costs of disposal. Provision is made for any slow moving and obsolete inventory..

**Marketing materials**
Marketing materials consist of patterning books and other saleable marketing assets used to support the sale of the Company's products. They are recognised at the lower of cost and net realisable value. Cost comprises direct materials plus costs of production.

Net realisable value is based on estimated recoveries from customers and distributors for those pattern books expected to be sold, less the anticipated cost of disposal.

As books are sold or otherwise utilised and are no longer within the control of the Company, their cost is charged to the Income Statement as an expense. An impairment allowance is made for any slow moving and obsolete marketing materials including those expected to be given away free of charge. The Company's policy is to classify marketing materials on the Balance Sheet within trade and other receivables.

Non-saleable marketing materials are expensed to the Income Statement once the collection that these marketing materials relate to has been launched. Any subsequent costs or development expenditure are expensed as incurred.

**1. Accounting policies and general information** (continued)

**Financial assets and liabilities – measurement basis**
In accordance with FRS 101, 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 expire.

Non-derivative financial assets are classified as 'loans and receivables' according to the purpose for which the asset was acquired. This category includes:

- 'trade and other receivables' - 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. 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; and
- "cash at bank and in hand" – this comprises deposits repayable on demand with banks and financial institutions, bank balances and cash in hand.

A provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy or financial reorganisation, default or delinquency in payments, and the unavailability of credit insurance at commercial rates for receivables are considered indicators that the trade receivable may be impaired. The amount of the provision is the difference between the asset's carrying amount and the net present value of estimated future cash flows, discounted at the original effective interest rate. 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.

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:

- 'creditors' – these are typically non-interest bearing and following initial recognition are included in the Balance Sheet at amortised cost using the effective interest method; and
- '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.

The Company has no derivative financial instruments or embedded derivatives that are not closely related to the host instrument.

**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**
Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the Company. All other leases are classified as operating leases.

Operating lease rentals are charged to the Income Statement on a straight-line basis over the period of the lease. Rent free periods receivable on entering an operating lease are released on a straight-line basis over the term of the lease.

**Employee benefits – *retirement benefit obligations***
The Company operates a defined contribution pension scheme for the benefit of its employees. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1. Accounting policies and general information** (continued)

**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.

**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.

**Revenue**
Revenue is measured at fair value of the consideration received or receivable and represents amounts recoverable by the Company for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes. Revenue comprises:

- Sale of goods – sales of goods are recognised when the Company has transferred to the buyer the significant risks and rewards of ownership, which is usually at the point of delivery of the goods.
- Royalty revenue – royalties are received from licence holders under the terms of various agreements and are recognised on an accruals basis in accordance with the substance of the relevant agreement.

Deposits received from customers in advance of the delivery of goods or services are recognised as deferred revenue. Amounts receivable from customers representing the recovery of expenses incurred by the Company for design and set-up costs, delivery, and marketing materials are not considered to be revenue, and are credited to the relevant expense within the Income Statement.

**Exceptional items**
Items that are both material and whose nature is sufficient to warrant separate disclosure and identification are disclosed within the financial statements and classified within their relevant category in the Income Statement as exceptional items.

**Taxation including deferred 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 period. Taxable profits differs 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.

**1. Accounting policies and general information** (continued)

**Taxation including deferred tax** (continued)
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 also 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.

**Interest received**
Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

**Dividend distributions**
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. Critical accounting estimates and assumptions**

The Company makes estimates and assumptions concerning future events. The resulting accounting estimates will seldom precisely equal the related actual results. The Company applies its best endeavours in setting accounting estimates, and uses historical experience and other factors, including input from experienced and specialist management. Estimates and assumptions are periodically re-evaluated and the resulting accounting balances updated as new information including actual outcomes become apparent.

The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

***Impairment of non-financial assets***
Property, plant and equipment are reviewed for impairment whenever impairment triggers are apparent. The recoverable amounts of cash generating units are determined based on value in use ('VIU') calculations. These calculations require use of estimates of future sales, margins, and other operating and administration expenses, and of discount rates.

The Company makes provision for impairment in the carrying amount of its inventories and marketing materials. The nature of the Company's products are exposed to changes in taste and attitudes from time to time, which can affect the demand for those products. The Company has skilled and experienced management who utilise historical sales information, and exercise their judgement, in making estimates about the extent of provisions necessary based on the realisable value of inventory and expected future benefit to the Company of marketing materials taking into account the estimated price and volume of future sales or usage, less the further costs of sale and holding costs. Further disclosures relating to the effect on the Income Statement of the establishment and reversal of such provisions against inventory are included in note 5. Details of the carrying amount of inventories are disclosed in note 12 and of marketing materials in note 13. The carrying values of the non-financial assets are not considered to be sensitive due to the nature of the assets

### 3. Revenue

An analysis of revenue by geographical market is given below:

| | Year ended 31 January 2018 £000 | 13 months ended 31 January 2017 £000 |
|---|---|---|
| United Kingdom | **12,405** | 13,095 |
| Europe | **3,724** | 3,514 |
| USA | **2,976** | 2,278 |
| Other | **2,107** | 3,048 |
| | **21,212** | 21,935 |

### 4. Exceptional items

An analysis of the amounts credited / (charged) as exceptional items in these financial statements is given below:

| | Year ended 31 January 2018 £000 | 13 months ended 31 January 2017 £000 |
|---|---|---|
| Reversal of impairment of trade receivables relating to Clarke & Clarke LLC | - | 326 |
| Total included in distribution and selling expenses | - | 326 |
| Professional costs incurred in relation to acquisition of the business by Walker Greenbank PLC | - | (158) |
| Total included in administration expenses | - | (158) |

### 5. Profit from operations:

| | Year ended 31 January 2018 £000 | 13 months ended 31 January 2017 £000 |
|---|---|---|
| **Profit from operations is stated after (crediting)/charging:** | | |
| Depreciation of property, plant and equipment (note 10) | **125** | 124 |
| Cost of inventories recognised as expense in cost of sales (note 11) | **10,877** | 11,486 |
| Net foreign exchange (gains)/losses | **(184)** | 11 |
| Operating lease rentals: | | |
| • Hire of motor vehicles and plant and machinery | **112** | 16 |
| • Land and buildings | **134** | 145 |

# Globaltex Limited
## Notes to the Financial Statements (continued)

### 6. Auditors' remuneration

| | Year ended 31 January 2018 £000 | 13 months ended 31 January 2017 £000 |
|---|---|---|
| Fees payable for the audit of the financial statements | - | 36 |

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

### 7. Emoluments of Directors

| | Year ended 31 January 2018 £000 | 13 months ended 31 January 2017 £000 |
|---|---|---|
| Directors' remuneration | - | 658 |
| Directors' pension contributions to money purchase schemes | - | 40 |
| | - | 698 |

| | Number | Number |
|---|---|---|
| Directors to whom retirement benefits were accruing | - | 3 |

The Directors did not receive any remuneration from the Company during the year (13 months ended 31 January 2017: £698,000).

Following the acquisition of the Company by Walker Greenbank Plc on 12th October, 2016 the Directors are remunerated by Walker Greenbank 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 Walker Greenbank PLC consolidated financial statements.

### 8. Employee Information

| | Year ended 31 January 2018 £000 | 13 months ended 31 January 2017 £000 |
|---|---|---|
| Wages and salaries | 2,721 | 2,481 |
| Other pension costs | 1 | 55 |
| Employee benefit expense | 2,722 | 2,536 |

| The average monthly number of employees (including Directors) during the period: | Number | Number |
|---|---|---|
| Manufacturing | 26 | 23 |
| Sales and marketing | 14 | 13 |
| Corporate and administration | 32 | 27 |
| Total | 72 | 63 |

### 9. Tax expense

| | Year ended 31 January 2018 £000 | 13 months ended 31 January 2017 £000 |
|---|---|---|
| Current tax: | | |
| - UK, current tax | **501** | 750 |
| - Adjustments in respect of prior periods | **82** | - |
| Current tax charge | **583** | 750 |
| Deferred tax: | | |
| - current period | **(6)** | (18) |
| - adjustments in respect of prior periods | **1** | 9 |
| - effect of changes in corporation tax rates | **-** | (5) |
| Deferred tax charge | **(5)** | (14) |
| Total tax charge for the period | **578** | 736 |

| **Reconciliation of total tax charge for the period** | Year ended 31 January 2018 £000 | 13 months ended 31 January 2017 £000 |
|---|---|---|
| Profit before taxation | **3,929** | 3,947 |
| Tax on profit on ordinary activities at 19.17% (2017: 18.47%) | **753** | 729 |
| Non-deductible expenditure | **13** | 3 |
| Effects of group relief | **(271)** | - |
| Adjustments in respect of prior periods | **83** | 9 |
| Effect of changes in corporation tax rates | **-** | (5) |
| Total tax charge for period | **578** | 736 |

**Factors affecting current and future tax charges**

The deferred tax balance at 31 January 2018 included within these financial statements has been calculated at a rate of 17%, as this is the rate at which the majority of the balances are expected to unwind.

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016 and became substantively enacted in Finance Bill 2016 on 6 September 2016 to reduce the main rate to 19% from 1 April 2017 and to 17% from 1 April 2020.

### 10. Property, plant and equipment

| | Leasehold improvements £000 | Plant and equipment £000 | Fixtures and fittings £000 | Computer equipment £000 | Total £000 |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| 1 February 2017 | 83 | 381 | 269 | 158 | 891 |
| Additions | 103 | 80 | 61 | 82 | 326 |
| 31 January 2018 | 186 | 461 | 330 | 240 | 1,217 |
| **Accumulated depreciation** | | | | | |
| 1 February 2017 | 31 | 278 | 164 | 99 | 572 |
| Charge | 15 | 49 | 25 | 36 | 125 |
| 31 January 2018 | 46 | 327 | 189 | 135 | 697 |
| **Net book amount** | | | | | |
| **31 January 2018** | **140** | **134** | **141** | **105** | **520** |
| 31 January 2017 | **52** | **103** | **105** | **59** | **319** |

The total depreciation expense of £125,000 (13 months ended 31 January 2017: £124,000) has been included in administration expenses (13 months ended 31 January 2017: cost of sales £58,000 and administration expenses £66,000).

### 11. Inventories

| | 31 January 2018 £000 | 31 January 2017 £000 |
|---|---|---|
| Finished goods | **7,317** | 5,116 |

The cost of inventories recognised as an expense and included in cost of sales amounted to £10,877,000 (13 months ended 31 January 2017: £11,486,000).

### 12. Trade and other receivables

| **Current** | 31 January 2018 £000 | 31 January 2017 £000 |
|---|---|---|
| Trade receivables | **3,697** | 3,459 |
| Less: Provision for impairment of trade receivables | **(74)** | (48) |
| Net trade receivables | **3,623** | 3,411 |
| Amounts owed by group undertakings | **4,510** | 2,520 |
| Corporation tax | **811** | 589 |
| Other taxes and social security | **20** | - |
| Other receivables | **-** | 245 |
| Marketing materials | **958** | 320 |
| Prepayments | **432** | 114 |
| | **10,354** | 7,199 |

**12. Trade and other receivables** (continued)

Amounts owed by group undertakings are non-interest bearing and are unsecured. These 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 the trade and other receivables.

Due to the nature of the Company's products, there is a limited amount of stock left in the possession of customers that could act as collateral under terms of trade. As the value of this stock is immaterial, it has not been disclosed in the financial statements.

**Credit quality of financial assets**

(i) Neither past due nor impaired
Included in the Company's trade receivable balances are receivables with a carrying value of £2,289,000 (31 January 2017: £2,045,000) which are neither past due nor impaired at the reporting date. The nature of the Company's business means that it has a long standing relationship with the majority of its customers, who either have no experience of historical default or only temporary late payments with full recovery of balances due.

(ii) Past due – not individually impaired
Included in the Company's trade receivables balance are receivables with a carrying value of £1,368,000 (31 January 2017: £1,366,000) which are past due at the reporting date for which the Company does not consider the need to create a specific impairment provision against individually identified receivable. The table below shows the aging analysis of the receivables:

| | **31 January 2018 £000** | 31 January 2017 (restated) £000 |
|---|---|---|
| 1 - 30 days past due | **679** | 782 |
| 31 - 60 days past due | **484** | 351 |
| 61 - 90 days past due | **117** | 215 |
| 91+ days past due | **88** | 18 |
| | **1,368** | 1,366 |

**Prior year restatement**
The aging analysis for the prior year has been restated to reflect amounts based on past due instead of invoice date

(iii) Past due – individually impaired
As at 31 January 2018, trade receivables of £40,000 (31 January 2017: £48,000) were individually determined to be impaired and provided for. The amount of the provision was £74,000 (31 January 2017: £48,000). The main factors used to assess the impairment of trade receivables is the age of the balance and circumstances of the individual customer. It has been assessed that a proportion of the receivables is expected to be recovered.

The carrying amounts of the Company's trade and other receivables are denominated in the following currencies:

| | **31 January 2018 £000** | 31 January 2017 £000 |
|---|---|---|
| Sterling | **2,408** | 2,326 |
| Euros | **669** | 579 |
| US Dollars | **546** | 751 |
| | **3,623** | 3,656 |

### 12. Trade and other receivables (continued)

The Company considers that any exposure to concentrations of credit risk will be impacted principally by underlying economic conditions in the principal geographical territories in which the Company operates. As at the Balance Sheet date the carrying value of trade receivables by geographical territory of the customer was:

| | 31 January 2018 £000 | 31 January 2017 £000 |
|---|---|---|
| United Kingdom | **1,987** | 1,692 |
| Continental Europe | **682** | 567 |
| USA | **545** | 745 |
| Rest of the World | **409** | 407 |
| | **3,623** | 3,411 |

**Provisions for impairment**

Movements on the Company provision for impairment of trade receivables are as follows:

| | 31 January 2018 £000 | 31 January 2017 £000 |
|---|---|---|
| At the start of the period | **(48)** | (474) |
| Provision for receivables impaired | **(55)** | (18) |
| Receivables written off in the period as uncollectible | **14** | 7 |
| Unused amounts reversed | **15** | 437 |
| At the end of the period | **(74)** | (48) |

The creation and release of provisions for impaired trade receivables have been included within distribution and selling costs in the Income Statement.

### 13. Creditors: amounts falling due within one year

| | 31 January 2018 £000 | 31 January 2017 £000 |
|---|---|---|
| Trade creditors | **2,896** | 2,204 |
| Amounts owed to group undertakings | **116** | 3 |
| Other taxes and social security | **-** | 2 |
| Accruals | **240** | 421 |
| | **3,252** | 2,630 |

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

### 14. Deferred income tax liabilities

A deferred tax liability of £24,000 (31 January 2017: £30,000) is recognised in respect of property, plant and equipment.

| | 31 January 2018 £000 | 31 January 2017 £000 |
|---|---|---|
| Taxable temporary differences on property, plant and equipment | **24** | 30 |
| Deferred tax liability in balance sheet | **24** | 30 |

**15. Financial instruments by category**

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

| 31 January 2018 | Loans and receivables £000 | Assets at fair value £000 | Total £000 |
|---|---|---|---|
| **Assets as per Balance Sheet** | | | |
| Trade and other receivables | 8,133 | - | 8,133 |
| Cash at bank and in hand | 1.433 | - | 1.433 |
| Total | 9,566 | - | 9,566 |

| 31 January 2018 | Liabilities at fair value £000 | Other financial liabilities £000 | Total £000 |
|---|---|---|---|
| **Liabilities as per Balance Sheet** | | | |
| Creditors: amounts falling due within one year | - | 3,252 | 3,252 |
| Total | - | 3,252 | 3,252 |

| 31 January 2017 | Loans and receivables £000 | Assets at fair value £000 | Total £000 |
|---|---|---|---|
| **Assets as per Balance Sheet** | | | |
| Trade and other receivables | 6,176 | - | 6,176 |
| Cash at bank and in hand | 3,023 | - | 3,023 |
| Total | 9,199 | - | 9,199 |

| 31 January 2017 | Liabilities at fair value £000 | Other financial liabilities £000 | Total £000 |
|---|---|---|---|
| **Liabilities as per Balance Sheet** | | | |
| Creditors: amounts falling due within one year | - | 2,628 | 2,628 |
| Total | - | 2,628 | 2,628 |

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.

**16. Called up share capital**

| Ordinary shares of £1 each: | Number of shares | £ 000 |
|---|---|---|
| Allotted, called up and fully paid: | | |
| **31 January 2018** | **2** | **-** |
| 31 January 2017 | 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.

**16. Called up share capital** continued

On 1 July 2016, Globaltex 2015 Limited purchased the entire issued share capital of the Company from LC & EJC Holdings Limited (previously Globaltex Holdings Limited) in accordance with the terms of a reconstruction agreement dated 1 July 2016.

**17. Commitments**

**Lease Commitments**
Operating lease payments represent rentals payable by the Company for certain office properties. Other leases include hire of plant, machinery and motor vehicles.

Total commitments due under non-cancellable operating leases are as follows:

| | **Land and buildings 31 January 2018 £000** | **Other 31 January 2018 £000** | **Total 31 January 2018 £000** | Land and buildings 31 January 2017 £000 | Other 31 January 2017 £000 | Total 31 January 2017 £000 |
|---|---|---|---|---|---|---|
| Within one year | **134** | **95** | **229** | 134 | 61 | 195 |
| Between one and five years | **535** | **139** | **674** | 537 | 47 | 584 |
| Over five years | **366** | **-** | **366** | 499 | - | 499 |
| | **1,035** | **234** | **1,269** | 1,170 | 108 | 1,278 |

**18. 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 Walker Greenbank PLC, which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Copies of Walker Greenbank PLC consolidated financial statements can be obtained from the Company Secretary at Walker Greenbank PLC, Chalfont House, Oxford Road, Denham, UB9 4DX.

**19. Contingent liabilities**

The Company has an overdraft facility with Barclays Bank PLC secured with a fixed and floating charge over the Company's assets given by way of a debenture dated 26 May 2000. At 31 January 2018 the overdrawn balance against this facility was £nil (31 December 2017: £nil).

The Company has a cross guarantee with its parent undertaking, Globaltex 2015 Limited with a fixed and floating charge over the companies' assets given to Barclays Bank PLC.

The Company is also party to a cross guarantee with its ultimate parent undertaking under the funding arrangements of the Group with Barclays Bank PLC.

### 20. Related party transactions

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

During the period, the Company entered into the following transactions:

- Sale of goods to Clarke & Clarke LLC of £nil (13 months ended 31 January 2017: £728,000);
- Rental charge payable to LC & EJC Holdings Limited amounting to £109,000 (13 months ended 31 January 2017: £118,000);
- Dividends paid to LC & EJC Holdings Limited of £nil (13 months ended 31 January 2017: £156,000);
- Rental charge payable to L & E Property and Pension Fund amounting to £25,000 (13 months ended 31 January 2017: £27,000).

During the year, Clarke & Clarke LLC was dissolved. As at the balance sheet date, the amounts outstanding with Clarke & Clarke LLC and LC & EJC Properties Limited were £nil (2017: £nil)

### 21. Directors' advance, credits and guarantees

The following advances and credits to Directors were subsisted:

| | **Year ended 31 January 2018 £000** | 13 months ended 31 January 2017 £000 |
|---|---|---|
| Balance outstanding at the start of the period | - | 833 |
| Amounts advanced | - | 520 |
| Amounts repaid | - | (1,353) |
| Balance outstanding at the end of the period | - | - |

Directors' emoluments are disclosed in note 7.