

Spectrum Yarns Limited
Strategic Report, Report of the Director and
Financial Statements for the Year Ended 31 March 2017

FRIDAY



A6GY0HH6
A13 13/10/2017 #384
COMPANIES HOUSE

**Contents of the Financial Statements
for the year ended 31 March 2017**

	Page
Company Information	1
Strategic Report	2
Report of the Director	3
Report of the Independent Auditors	4
Statement of Comprehensive Income	6
Balance Sheet	7
Statement of Changes in Equity	8
Cash Flow Statement	9
Notes to the Cash Flow Statement	10
Notes to the Financial Statements	11

Spectrum Yarns Limited

Company Information
for the year ended 31 March 2017

DIRECTOR: R K Brown

SECRETARY: I Porter

REGISTERED OFFICE: Spa Mills
New Street
Slaithwaite
Huddersfield
West Yorkshire
HD7 5BB

REGISTERED NUMBER: 01142407 (England and Wales)

AUDITORS: Bamforth & Co
Chartered Accountants
Statutory Auditors
Douglas House
24 Bridge Street
Slaithwaite
Huddersfield
West Yorkshire
HD7 5JN

Strategic Report
for the year ended 31 March 2017

The director presents his strategic report for the year ended 31 March 2017.

REVIEW OF BUSINESS

Turnover in the year has decreased by 7.4% as a result of a decision to withdraw from certain markets together with further consolidation of the company's position in its other main operating markets and activities.

As a result of these internal reorganisations, gross margin has improved to 20.49% compared to 17.74%. Commodity prices have continued to be stable which gives the business a more certain trading environment in which to operate with key suppliers and customers. Management constantly monitor commodity price changes and set future prices accordingly to maintain margins.

Operating costs have decreased due the net effect of the internal reorganisation together with exchange rate movements. These costs are under constant review and strategic decisions are made where further efficiencies can be achieved.


The company continues to actively manage working capital in order to deal with the inevitable fluctuations within a complex manufacturing business. Relationships with customers, suppliers and providers of loan facilities are well managed and the overall outlook at the balance sheet date is positive.

PRINCIPAL RISKS AND UNCERTAINTIES

These continue to be the general economic climate at home and abroad. Management continues to monitor the performance of the business with regard to the quality of its products, supply relationships and financial controls over costs and working capital.

The Director believes that the investment in the development of new markets for its products will result in sustainable earnings growth for the future.

ON BEHALF OF THE BOARD:



I Porter - Secretary

31 August 2017

**Report of the Director
for the year ended 31 March 2017**

The director presents his report with the financial statements of the company for the year ended 31 March 2017.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of worsted yarn spinners, hand knit yarn distributors and woollen knitwear manufacturers and distributors.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2017.

DIRECTOR

R K Brown held office during the whole of the period from 1 April 2016 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

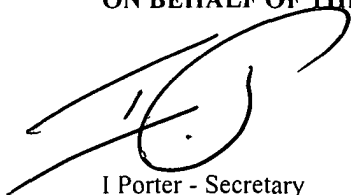
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:



I Porter - Secretary

31 August 2017

Report of the Independent Auditors to the Members of Spectrum Yarns Limited

We have audited the financial statements of Spectrum Yarns Limited for the year ended 31 March 2017 on pages six to eighteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Director to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



Adam Bamforth (Senior Statutory Auditor)
for and on behalf of Bamforth & Co
Chartered Accountants
Statutory Auditors
Douglas House
24 Bridge Street
Slaithwaite
Huddersfield
West Yorkshire
HD7 5JN

31 August 2017

Statement of Comprehensive Income
for the year ended 31 March 2017

	Notes	2017 £	2016 £
TURNOVER		16,974,056	18,330,459
Cost of sales		13,495,493	15,079,192
GROSS PROFIT		3,478,563	3,251,267
Distribution costs		2,217,239	2,638,799
Administrative expenses		570,070	755,606
		2,787,309	3,394,405
		691,254	(143,138)
Other operating income		-	33,281
OPERATING PROFIT/(LOSS)	4	691,254	(109,857)
Interest payable and similar expenses	5	55,790	54,242
PROFIT/(LOSS) BEFORE TAXATION		635,464	(164,099)
Tax on profit/(loss)	6	-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		635,464	(164,099)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		635,464	(164,099)

The notes form part of these financial statements

Balance Sheet
31 March 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	7	650,427	581,119
Investments	8	37,241	37,241
		<u>687,668</u>	<u>618,360</u>
CURRENT ASSETS			
Stocks	9	4,866,898	5,449,277
Debtors	10	3,274,309	3,748,417
Cash at bank		2,378,353	1,030,875
		<u>10,519,560</u>	<u>10,228,569</u>
CREDITORS			
Amounts falling due within one year	11	4,403,897	4,590,740
NET CURRENT ASSETS		<u>6,115,663</u>	<u>5,637,829</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,803,331</u>	<u>6,256,189</u>
CREDITORS			
Amounts falling due after more than one year	12	2,714,844	2,803,166
NET ASSETS		<u><u>4,088,487</u></u>	<u><u>3,453,023</u></u>
CAPITAL AND RESERVES			
Called up share capital	16	9,000	9,000
Retained earnings	17	4,079,487	3,444,023
SHAREHOLDERS' FUNDS		<u><u>4,088,487</u></u>	<u><u>3,453,023</u></u>

The financial statements were approved by the director on 31 August 2017 and were signed by:



R K Brown - Director

Statement of Changes in Equity
for the year ended 31 March 2017

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2015	9,000	3,608,122	3,617,122
Changes in equity			
Total comprehensive income	-	(164,099)	(164,099)
Balance at 31 March 2016	9,000	3,444,023	3,453,023
Changes in equity			
Total comprehensive income	-	635,464	635,464
Balance at 31 March 2017	9,000	4,079,487	4,088,487

The notes form part of these financial statements

Cash Flow Statement
for the year ended 31 March 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	1,510,575	(297,604)
Interest paid		(50,250)	(70,044)
Interest element of hire purchase payments paid		(5,540)	(6,583)
Net cash from operating activities		1,454,785	(374,231)
Cash flows from investing activities			
Purchase of tangible fixed assets		(227,367)	(293,336)
Sale of tangible fixed assets		205,178	-
Government Grant received		-	96,000
Net cash from investing activities		(22,189)	(197,336)
Cash flows from financing activities			
New loans in year		3,350,000	3,350,000
Loan repayments in year		(3,350,000)	(3,500,000)
New Hire Purchase		-	256,500
Capital repayments in year		(85,118)	(68,017)
Net cash from financing activities		(85,118)	38,483
Increase/(decrease) in cash and cash equivalents		1,347,478	(533,084)
Cash and cash equivalents at beginning of year	2	1,030,875	1,563,959
Cash and cash equivalents at end of year	2	2,378,353	1,030,875

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the year ended 31 March 2017

1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2017	2016
	£	£
Profit/(loss) before taxation	635,464	(164,099)
Depreciation charges	145,487	187,473
Profit on disposal of fixed assets	(192,606)	-
Finance costs	55,790	54,242
	<u>644,135</u>	<u>77,616</u>
Decrease/(increase) in stocks	582,379	(952,306)
Decrease/(increase) in trade and other debtors	474,108	(107,532)
(Decrease)/increase in trade and other creditors	(190,047)	684,618
	<u>1,510,575</u>	<u>(297,604)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2017

	31.3.17	1.4.16
	£	£
Cash and cash equivalents	<u>2,378,353</u>	<u>1,030,875</u>

Year ended 31 March 2016

	31.3.16	1.4.15
	£	£
Cash and cash equivalents	<u>1,030,875</u>	<u>1,563,959</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the year ended 31 March 2017**

1. STATUTORY INFORMATION

Spectrum Yarns Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

These financial statements are presented in Sterling as the functional currency.

Preparation of consolidated financial statements

The financial statements present information about the company as an individual undertaking and not about the group. Group accounts have not been prepared as advantage has been taken of the exemption under s405(2) of the Companies Act 2006.

Significant judgements and estimates

No significant judgements or estimates have been made by management in preparing the accounts.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the goods have been despatched.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 10% -25% on cost
Motor vehicles	- 10% - 33% on cost

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less any provision for impairment.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements - continued
for the year ended 31 March 2017

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Debtors & creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Other financial liabilities, including loans, are measured initially at fair value net of transaction costs.

3. EMPLOYEES AND DIRECTORS

	2017	2016
	£	£
Wages and salaries	3,014,675	3,434,035
Social security costs	283,710	304,450
Other pension costs	59,753	64,130
	<u>3,358,138</u>	<u>3,802,615</u>

The average monthly number of employees during the year was as follows:

	2017	2016
Production & direct labour	123	156
Distribution & administration	24	24
	<u>147</u>	<u>180</u>

Notes to the Financial Statements - continued
for the year ended 31 March 2017

3. **EMPLOYEES AND DIRECTORS - continued**

	2017	2016
	£	£
Director's remuneration	<u>113,425</u>	<u>106,435</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

4. **OPERATING PROFIT/(LOSS)**

The operating profit (2016 - operating loss) is stated after charging/(crediting):

	2017	2016
	£	£
Depreciation - owned assets	126,587	171,729
Depreciation - assets on hire purchase contracts	18,900	15,744
Profit on disposal of fixed assets	(192,606)	-
Operating lease payments	247,706	266,144
Auditors remuneration - Audit	9,150	9,150
Auditors remuneration - Other assurance services	2,850	2,850
Foreign exchange differences	<u>(87,267)</u>	<u>7,108</u>

5. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2017	2016
	£	£
Pension scheme loan interest	50,250	47,659
Hire purchase	<u>5,540</u>	<u>6,583</u>
	<u>55,790</u>	<u>54,242</u>

6. **TAXATION**

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 March 2017 nor for the year ended 31 March 2016.

Notes to the Financial Statements - continued
for the year ended 31 March 2017

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2017 £	2016 £
Profit/(loss) before tax	<u>635,464</u>	<u>(164,099)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	127,093	(32,820)
Effects of:		
Capital allowances in excess of depreciation	(67,341)	-
Depreciation in excess of capital allowances	-	36,722
Utilisation of tax losses	<u>(59,752)</u>	<u>(3,902)</u>
Total tax charge	<u>-</u>	<u>-</u>

The company has tax losses of approximately £1,800,000 to carry forward against future trading profits. As a result of this there is no deferred tax liability. The deferred tax asset has not been recognised.

7. TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 April 2016	8,246,640	8,750	8,255,390
Additions	224,167	3,200	227,367
Disposals	<u>(770,370)</u>	<u>(8,750)</u>	<u>(779,120)</u>
At 31 March 2017	<u>7,700,437</u>	<u>3,200</u>	<u>7,703,637</u>
DEPRECIATION			
At 1 April 2016	7,665,521	8,750	7,674,271
Charge for year	144,754	733	145,487
Eliminated on disposal	<u>(757,798)</u>	<u>(8,750)</u>	<u>(766,548)</u>
At 31 March 2017	<u>7,052,477</u>	<u>733</u>	<u>7,053,210</u>
NET BOOK VALUE			
At 31 March 2017	<u>647,960</u>	<u>2,467</u>	<u>650,427</u>
At 31 March 2016	<u>581,119</u>	<u>-</u>	<u>581,119</u>

The net book value of tangible fixed assets includes £154,356 (2016 - £173,256) in respect of assets held under hire purchase contracts.

Notes to the Financial Statements - continued
for the year ended 31 March 2017

8. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 April 2016 and 31 March 2017	<u>1,025,376</u>
PROVISIONS	
At 1 April 2016 and 31 March 2017	<u>988,135</u>
NET BOOK VALUE	
At 31 March 2017	<u>37,241</u>
At 31 March 2016	<u>37,241</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Herbert Brown Limited

Registered office:

Nature of business: Dormant

	% holding	2017 £	2016 £
Class of shares:			
Ordinary	99.90		
Deferred	100.00		
Aggregate capital and reserves		<u>6,740</u>	<u>6,740</u>

Kevard Textile Machinery (1994) Limited

Registered office:

Nature of business: Dormant

	% holding	2017 £	2016 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		<u>100</u>	<u>100</u>

Sybro Spinning Limited

Registered office:

Nature of business: Dormant

	% holding	2017 £	2016 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		<u>40,000</u>	<u>40,000</u>

Notes to the Financial Statements - continued
for the year ended 31 March 2017

9. STOCKS

	2017	2016
	£	£
Raw materials & consumables	1,443,958	1,373,190
Work-in-progress	230,564	486,017
Finished goods & goods for resale	3,192,376	3,590,070
	<u>4,866,898</u>	<u>5,449,277</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade debtors	3,237,278	3,722,473
Prepayments and accrued income	37,031	25,944
	<u>3,274,309</u>	<u>3,748,417</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Other loans (see note 13)	650,199	650,199
Hire purchase contracts (see note 14)	88,322	85,118
Trade creditors	2,525,153	2,890,327
Amounts owed to group undertakings	46,840	46,840
Social security and other taxes	247,316	169,487
Other creditors	557,189	637,010
Accruals and deferred income	288,878	111,759
	<u>4,403,897</u>	<u>4,590,740</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017	2016
	£	£
Other loans (see note 13)	2,699,801	2,699,801
Hire purchase contracts (see note 14)	15,043	103,365
	<u>2,714,844</u>	<u>2,803,166</u>

13. LOANS

An analysis of the maturity of loans is given below:

	2017	2016
	£	£
Amounts falling due within one year or on demand:		
Loan from pension scheme	<u>650,199</u>	<u>650,199</u>

Notes to the Financial Statements - continued
for the year ended 31 March 2017

13. LOANS - continued

	2017 £	2016 £
Amounts falling due between two and five years:		
Loan from pension scheme	<u>2,699,801</u>	<u>2,699,801</u>

The loan which was outstanding at the start of the year from the pension scheme was repayable by instalments within 5 years. Interest was charged on the balance of £3,350,000 at 1.5% per annum.

Following discussions with the Trustees of the pension scheme the whole of the outstanding balance was repaid in December 2016, together with accrued interest to date, and consolidated into a further loan of £3,350,000 repayable in equal instalments over 5 years at an interest rate of 1.5%.

The loan is secured by a debenture over the assets of the company.

14. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2017 £	2016 £
Net obligations repayable:		
Within one year	88,322	85,118
Between one and five years	<u>15,043</u>	<u>103,365</u>
	<u>103,365</u>	<u>188,483</u>
	Non-cancellable operating leases	
	2017 £	2016 £
Within one year	225,342	229,297
Between one and five years	<u>55,362</u>	<u>124,417</u>
	<u>280,704</u>	<u>353,714</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	2017 £	2016 £
Loan from pension scheme	3,350,000	3,350,000
Hire purchase contracts	<u>103,365</u>	<u>188,483</u>
	<u>3,453,365</u>	<u>3,538,483</u>

Notes to the Financial Statements - continued
for the year ended 31 March 2017

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2017	2016
Number:	Class:		£	£
9,000	Ordinary	£1.00	<u>9,000</u>	<u>9,000</u>

17. RESERVES

	Retained earnings £
At 1 April 2016	3,444,023
Profit for the year	<u>635,464</u>
At 31 March 2017	<u>4,079,487</u>

18. RELATED PARTY DISCLOSURES

Entities with control, joint control or significant influence over the entity

	2017	2016
	£	£
Amount due to related party	<u>434,910</u>	<u>446,946</u>

Interest free loan, no fixed terms for repayment.

Other related parties

	2017	2016
	£	£
Rent payable	95,000	95,000
Amount due to related party	<u>3,350,000</u>	<u>3,350,000</u>

RK Brown is a Trustee & Member of the Spectrum Yarns Pension Scheme.

During the year the company paid rent on commercial terms to the pension scheme of £95,000, there were no outstanding amounts at the year end.

The company has loaned money from the pension scheme on commercial terms as set out in other disclosures in these financial statements.

19. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is R K Brown.