

Company registration number 07105402

UNAUDITED FINANCIAL  
STATEMENTS

FOR THE YEAR ENDED  
31 MARCH 2017

COTTONCONNECT  
LIMITED



**MENZIES**  
BRIGHTER THINKING

**COTTONCONNECT LIMITED**  
**REGISTERED NUMBER:07105402**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	4	3,542	4,782
Investments	5	53,600	53,600
		<u>57,142</u>	<u>58,382</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	491,836	148,439
Cash at bank and in hand		1,588,677	1,827,664
		<u>2,080,513</u>	<u>1,976,103</u>
Creditors: amounts falling due within one year	7	(1,842,788)	(1,775,837)
<b>Net current assets</b>		<u>237,725</u>	<u>200,266</u>
<b>Total assets less current liabilities</b>		<u>294,867</u>	<u>258,648</u>
<b>Net assets</b>		<u>294,867</u>	<u>258,648</u>
<b>Capital and reserves</b>			
Called up share capital		53,600	53,600
Profit and loss account		241,267	205,048
		<u>294,867</u>	<u>258,648</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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

A C Ward  
 Director

Date: 28th November 2017  
 The notes on pages 2 to 7 form part of these financial statements.

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# COTTONCONNECT LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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### 1. General information

These financial statements have been prepared in compliance with FRS102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

Cottonconnect Limited is a private company limited by shares, registered in England and Wales. The address of its registered office is disclosed on the company information page.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

#### 2.2 Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 398 of the Companies Act 2006 not to prepare group accounts.

#### 2.3 Revenue and grant income

The turnover shown in the profit and loss account represents amounts receivable for services provided during the year in the normal course of business. This includes funding from foundations and similar entities relating to projects undertaken during the year and income from these sources is matched to the stage of completion of the relevant work.

#### 2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is provided on the following basis:

Plant and machinery	- over 3 years
Office equipment	- over 3 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

#### 2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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### 2. Accounting policies (continued)

#### 2.6 Financial instruments

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

#### 2.7 Grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure. The deferred element of grants is included in creditors as deferred income.

#### 2.8 Foreign currency translation

##### Functional and presentation currency

The Company's functional and presentational currency is GBP.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

#### 2.9 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

#### 2.10 Pensions

##### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

#### 2.11 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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### 3. Employees

The average monthly number of employees, including directors, during the year was 8 (2016 -8).

### 4. Tangible fixed assets

	Plant and machinery £	Office equipment £	Total £
<b>Cost or valuation</b>			
At 1 April 2016	1,451	11,472	12,923
Additions	-	3,750	3,750
At 31 March 2017	1,451	15,222	16,673
<b>Depreciation</b>			
At 1 April 2016	1,048	7,093	8,141
Charge for the year on owned assets	403	4,587	4,990
At 31 March 2017	1,451	11,680	13,131
<b>Net book value</b>			
At 31 March 2017	-	3,542	3,542
At 31 March 2016	403	4,379	4,782

### 5. Fixed asset investments

	Shares in group undertakings £
At 1 April 2016	53,600
At 31 March 2017	53,600
At 31 March 2016	53,600

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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### 5. Fixed asset investments (continued)

#### Direct subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
CottonConnect Hong Kong Limited	Hong Kong	Ordinary	100 %	Holding Company
CottonConnect (South Asia) Pvt Ltd	India	Ordinary	100 %	Cotton

#### Indirect Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
CottonConnect China Co. Limited	China	Ordinary	100 %	Cotton

The aggregate of the share capital and reserves as at 31 March 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
CottonConnect Hong Kong Limited	435,902	36
CottonConnect (South Asia) Pvt Ltd	456,799	79,244
CottonConnect China Co.Ltd	119,682	9,000
	<b>1,012,383</b>	<b>88,280</b>

CottonConnect Hong Kong Limited has a wholly owned subsidiary CottonConnect China Co. Limited. The figures disclosed above for CottonConnect Hong Kong Limited are the figures for the single entities. The latest financial information relating to this company runs to 31 December 2016.

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

# COTTONCONNECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

### 6. Debtors

	2017 £	2016 £
Trade debtors	252,019	16,542
Amounts owed by group undertakings	100,364	34,415
Other debtors	6,826	11,762
Prepayments and accrued income	132,627	85,720
	<u>491,836</u>	<u>148,439</u>

### 7. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	76,713	107,460
Amounts owed to group undertakings	310,993	270,747
Corporation tax	9,822	7,363
Other taxation and social security	11,689	8,923
Other creditors	229	75,533
Accruals and deferred income	1,433,342	1,305,811
	<u>1,842,788</u>	<u>1,775,837</u>

### 8. Share capital

	2017 £	2016 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
53,600 Ordinary shares of £1 each	<u>53,600</u>	<u>53,600</u>

### 9. Related party transactions

At the year end CottonConnect South Asia and CottonConnect Hong Kong were under the control of Cottonconnect Limited.

During the period purchases of £1,122,471 (2016: £811,135) were made from CottonConnect South Asia, £6,424 (2016: £7,173) from CottonConnect Hong Kong and £228,634 (2016: £243,856) from CottonConnect China. Management charges of £nil (2016: £7,173) were incurred from CottonConnect Hong Kong in the period.

At the year end the company was due £100,364 (2016 - £34,415) from CottonConnect China, and owed £302,350 (2016 - £266,206) to CottonConnect South Asia and £9,970 (2016: £4,541) to CottonConnect Hong Kong.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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### 10. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.