

Company registration number: 07105402

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2019

COTTONCONNECT
LIMITED

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COTTONCONNECT LIMITED

COMPANY INFORMATION

Directors	A C Ward L A Johnston S L Pepper B Gidoomal R H Smeele R Young (appointed 22 June 2018)
Registered number	07105402
Registered office	1 Fore Street Avenue London EC2Y 9DT
Independent auditor	Menzies LLP Chartered Accountants & Statutory Auditor Ashcombe House 5 The Crescent Leatherhead Surrey KT22 8DY

COTTONCONNECT LIMITED

REGISTERED NUMBER: 07105402

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019


	Note	2019 £	2018 £
Fixed assets			
Tangible assets	4	4,117	2,364
Investments	5	53,600	53,600
		<u>57,717</u>	<u>55,964</u>
Current assets			
Debtors: amounts falling due within one year	6	633,201	325,688
Bank and cash balances		1,077,147	1,172,448
		<u>1,710,348</u>	<u>1,498,136</u>
Creditors: amounts falling due within one year	7	(1,389,078)	(1,410,996)
Net current assets		<u>321,270</u>	<u>87,140</u>
Total assets less current liabilities		<u>378,987</u>	<u>143,104</u>
Provisions for liabilities			
Deferred tax		(670)	-
		<u>(670)</u>	<u>-</u>
Net assets		<u><u>378,317</u></u>	<u><u>143,104</u></u>
Capital and reserves			
Called up share capital		53,600	53,600
Profit and loss account		324,717	89,504
		<u><u>378,317</u></u>	<u><u>143,104</u></u>

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: 30/09/2019

The notes on pages 2 to 6 form part of these financial statements.

COTTONCONNECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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 company 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 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.

2.4 Turnover

Turnover comprises grant income and consultancy services.

Consultancy services are recognised in the period in which services are provided in accordance with the stage of completion of the contract when the amount of revenue can be measured reliably; it is probable the company will receive the consideration due under the contract; the stage of completion of the contract at the end of the reporting period can be measured reliably; and the costs incurred and the costs to complete the contract can be measured reliably.

Grant income is recognised in the statement of income and retained earnings line with expenditure incurred.

2.5 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.

COTTONCONNECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.6 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.

2.7 Current taxation

The tax expense for the year comprises current and deferred tax. 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.

2.8 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.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

COTTONCONNECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.10 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.11 Financial instruments

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

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

3. Employees

The average monthly number of employees, including directors, during the year was 8 (2017/2018 -7).

COTTONCONNECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

4. Tangible fixed assets

	Plant and machinery £	Office equipment £	Total £
Cost or valuation			
At 1 April 2018	1,451	15,222	16,673
Additions	-	3,427	3,427
At 31 March 2019	1,451	18,649	20,100
Depreciation			
At 1 April 2018	1,451	12,858	14,309
Charge for the year on owned assets	-	1,674	1,674
At 31 March 2019	1,451	14,532	15,983
Net book value			
At 31 March 2019	-	4,117	4,117
At 31 March 2018	-	2,364	2,364

5. Fixed asset investments

	Investments in subsidiary companies £
At 1 April 2018	53,600

6. Debtors

	2019 £	2018 £
Trade debtors	432,278	79,389
Amounts owed by group undertakings	18,486	138,226
Other debtors	1,390	20,955
Prepayments and accrued income	181,047	87,118
	633,201	325,688

COTTONCONNECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	96,682	57,880
Amounts owed to group undertakings	303,293	342,958
Corporation tax	37,820	-
Other taxation and social security	8,251	6,458
Other creditors	7,118	-
Accruals and deferred income	935,914	1,003,700
	<u>1,389,078</u>	<u>1,410,996</u>

8. Commitments under operating leases

At 31 March 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	<u>26,100</u>	<u>24,250</u>
	<u>26,100</u>	<u>24,250</u>

9. Auditors' information

The auditors' report on the financial statements for the year ended 31 March 2019 was unqualified.

The audit report was signed on 9 October 2019 by Malcolm Lucas FCA (Senior statutory auditor) on behalf of Menzies LLP.