

Company registration number 03042269 (England and Wales)

GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors	Ms S Garware Mr Tushar Parikh
Secretary	Mr S Thakrar
Company number	03042269
Registered office	1.05 - 1.06 The Plaza Kings Road London England SW10 0SZ
Auditor	KPSR LLP 58 High Street Pinner Middlesex HA5 5PZ

GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

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GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present the strategic report for the year ended 31 March 2023.

Fair review of the business

The results and financial position at the year end were considered to be satisfactory by the directors. The directors expects the company to continue trading on a growth and stable basis in the foreseeable future.

The key financial performance indicators used by the Board to monitor the financial performance of the company and its results for the year ended 31 March 2023 are as follows:

- Turnover has decreased by 25% from £9,193k to £6,865k for the year.
- Operating profit has decreased by 27% from £445k to £326k for the year.
- Profit before tax for the company has increased by 59% from £829k to £1,321k for the year.

Income from the US subsidiary has improved in the year and overall the directors are pleased with the results for the year and the financial position of the company at the year end.

Principal risks and uncertainties

The main financial risks arising from the company's activities are economic risk, currency risk and operating risk. These are monitored by the board of directors and were not considered to be significant at the balance sheet date.

The company's policy in respect of currency risk, is to closely monitor exchange rate fluctuations between Sterling, Euro and US dollar. This may impact on the operating profit attained by the company.

The company's policy in respect of economic and operating risk, is to adhere to set objectives laid by management and the director in an efficient manner and exercise tight control on costs.

The parent company has seen growth in sales orders from customers who continue to require polyester products with some additional demand for safety film. Whilst the parent company is situated in India, the director believes that no consequences will be experienced by the UK operation given that exports will remain a priority for trade within the country and Europe.

The directors also believe that the company has enough reserves to sustain itself through the epidemic and has the full support of the parent company.

Development and performance

The company has an enhanced position in the activities it undertakes and as a result looks forward to reporting positive results in the near future.

The company strives to deliver a high standard of products given the environment it operates in. Based upon its historical performance the director is confident that the company will maintain its success as continued orders have already been placed for the next accounting period. They are assured their continued performance will underpin stability and growth of the company in the foreseeable future.

There are no matters that give rise to a post balance sheet event.

Key performance indicators

The company is stringently controlled by the director in terms of its performance and security of its generation of business. The director is solely responsible for the performance of the company and its direction.

The company uses a number of non-financial performance indicators to monitor and drive the business including measures within the areas of technological advancement. Examples are customer satisfaction statistics and orders delivered to clients on time.

GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

On behalf of the board



Ms S Garware
Director

22 May 2023

GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

Principal activities

The principal activity of the company was that of distribution of industrial polyester film and related products.

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Ms S Garware

Mr Tushar Parikh

Auditor

In accordance with the company's articles, a resolution proposing that KPSR LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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. They 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.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

On behalf of the board



Ms S Garware
Director

22 May 2023

GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

Opinion

We have audited the financial statements of Garware Hi-Tech Films International Limited (the 'company') for the year ended 31 March 2023 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

Irregularities, including fraud, are instances of non-compliance with laws and regulations.

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity. The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax and Pensions legislation, and distributable profits legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include General Data Protection Requirement and general health and safety legislation.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

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

Rishil Patel, ACA, CTA

Mr Rishil Patel
Senior Statutory Auditor
For and on behalf of KPSR LLP

22 May 2023

Chartered Accountants
Statutory Auditor

58 High Street
Pinner
Middlesex
HA5 5PZ

GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Turnover	2	6,864,651	9,193,129
Cost of sales		(4,668,490)	(7,171,583)
Gross profit		<u>2,196,161</u>	<u>2,021,546</u>
Distribution costs		(73,956)	(66,586)
Administrative expenses		(1,796,118)	(1,509,591)
Operating profit	3	<u>326,087</u>	<u>445,369</u>
Interest receivable and similar income	6	<u>994,488</u>	<u>383,162</u>
Profit before taxation		<u>1,320,575</u>	<u>828,531</u>
Tax on profit	7	(66,396)	(84,709)
Profit for the financial year		<u><u>1,254,179</u></u>	<u><u>743,822</u></u>

The income statement has been prepared on the basis that all operations are continuing operations.

GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Notes	£	2023 £	£	2022 £
Fixed assets					
Tangible assets	8		60,420		29,716
Investments	9		62,046		62,046
			<u>122,466</u>		<u>91,762</u>
Current assets					
Debtors	10	1,338,649		549,024	
Cash at bank and in hand		1,995,461		2,147,990	
		<u>3,334,110</u>		<u>2,697,014</u>	
Creditors: amounts falling due within one year	11	<u>(213,887)</u>		<u>(809,479)</u>	
Net current assets			<u>3,120,223</u>		<u>1,887,535</u>
Total assets less current liabilities			<u>3,242,689</u>		<u>1,979,297</u>
Provisions for liabilities					
Deferred tax liability	12	11,735		2,522	
		<u>(11,735)</u>		<u>(2,522)</u>	
Net assets			<u>3,230,954</u>		<u>1,976,775</u>
Capital and reserves					
Called up share capital	13		250,000		250,000
Profit and loss reserves	14		2,980,954		1,726,775
Total equity			<u>3,230,954</u>		<u>1,976,775</u>

The financial statements were approved by the board of directors and authorised for issue on 22 May 2023 and are signed on its behalf by:


Ms S Garware
Director

Company Registration No. 03042269

GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2021	250,000	982,953	1,232,953
Year ended 31 March 2022:			
Profit and total comprehensive income for the year	-	743,822	743,822
Balance at 31 March 2022	250,000	1,726,775	1,976,775
Year ended 31 March 2023:			
Profit and total comprehensive income for the year	-	1,254,179	1,254,179
Balance at 31 March 2023	250,000	2,980,954	3,230,954

GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	£	2023 £	£	2022 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	18		(1,023,417)		291,680
Income taxes paid			(85,179)		(55,411)
			<u> </u>		<u> </u>
Net cash (outflow)/inflow from operating activities			(1,108,596)		236,269
Investing activities					
Purchase of tangible fixed assets		(38,421)		(3,449)	
Interest received		20,064		467	
Dividends received		974,424		382,695	
		<u> </u>		<u> </u>	
Net cash generated from investing activities			956,067		379,713
			<u> </u>		<u> </u>
Net (decrease)/increase in cash and cash equivalents			(152,529)		615,982
Cash and cash equivalents at beginning of year			2,147,990		1,532,006
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			<u>1,995,461</u>		<u>2,147,990</u>

GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Garware Hi-Tech Films International Limited ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is 1.05 - 1.06 The Plaza, Kings Road, London, England, SW10 0SZ.

1.1 Accounting convention

These individual financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound sterling.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they are continuing to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered stated net of discounts and of Value Added Tax. When the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes in effect a financing transaction, the fair value of the consideration is measured as the present value of all future receipts determined using an imputed rate of interest, normally the rate that discounts the nominal amount of consideration to the cash sales price.

The company recognises revenue when the amount of revenue can be measured reliably, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the company's activities described below.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings short leasehold	Straight line over the life of the lease
Fixtures, fittings and equipment	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the income statement.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.8 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through the income statement, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the income statement.

GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans from fellow group companies and preference shares that are classified as debt, are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

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 income statement in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.10 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 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 reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end 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 assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.15 The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirements to do so by section 401 of the companies Act 2006 as the results of the company and its subsidiary are included in the accounts of the Indian parent company, Garware Polyester Limited.

2 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2023 £	2022 £
Turnover analysed by class of business		
Sale of goods	6,521,764	8,843,318
Commission	342,887	349,811
	<u>6,864,651</u>	<u>9,193,129</u>

	2023 £	2022 £
Turnover analysed by geographical market		
UK sales	997,388	1,182,790
Foreign sales	5,867,263	8,010,339
	<u>6,864,651</u>	<u>9,193,129</u>

	2023 £	2022 £
Other revenue		
Interest income	20,064	467
Dividends received	974,424	382,695
	<u>994,488</u>	<u>383,162</u>

3 Operating profit

	2023 £	2022 £
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(140,703)	14,282
Fees payable to the company's auditor for the audit of the company's financial statements	16,517	17,483
Depreciation of owned tangible fixed assets	7,717	9,825
Operating lease charges	66,532	36,766
	<u>130,037</u>	<u>78,356</u>

GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Administration and management	3	3
Selling and distribution	6	5
Total	<u>9</u>	<u>8</u>

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	1,443,568	1,248,635
Social security costs	185,789	143,644
Total	<u>1,629,357</u>	<u>1,392,279</u>

5 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	<u>921,361</u>	<u>758,421</u>

6 Interest receivable and similar income

	2023 £	2022 £
Interest income		
Interest on bank deposits	20,064	467
Income from fixed asset investments		
Income from shares in group undertakings	<u>974,424</u>	<u>382,695</u>
Total income	<u>994,488</u>	<u>383,162</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>20,064</u>	<u>467</u>
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GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Taxation	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	57,183	85,235
	<u>57,183</u>	<u>85,235</u>
Deferred tax		
Origination and reversal of timing differences	9,213	(526)
	<u>9,213</u>	<u>(526)</u>
Total tax charge	<u>66,396</u>	<u>84,709</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023	2022
	£	£
Profit before taxation	1,320,575	828,531
	<u>1,320,575</u>	<u>828,531</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	250,909	157,421
Tax effect of expenses that are not deductible in determining taxable profit	1,466	1,867
Tax effect of income not taxable in determining taxable profit	(185,141)	(72,712)
Capital allowances	(10,051)	(1,341)
Deferred taxation	9,213	(526)
	<u>9,213</u>	<u>(526)</u>
Taxation charge for the year	<u>66,396</u>	<u>84,709</u>

GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Tangible fixed assets	Land and buildings short leasehold	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 April 2022	81,614	136,973	218,587
Additions	-	38,421	38,421
At 31 March 2023	<u>81,614</u>	<u>175,394</u>	<u>257,008</u>
Depreciation and impairment			
At 1 April 2022	81,614	107,257	188,871
Depreciation charged in the year	-	7,717	7,717
At 31 March 2023	<u>81,614</u>	<u>114,974</u>	<u>196,588</u>
Carrying amount			
At 31 March 2023	<u>-</u>	<u>60,420</u>	<u>60,420</u>
At 31 March 2022	<u>-</u>	<u>29,716</u>	<u>29,716</u>
9 Fixed asset investments		2023	2022
		£	£
Investments in subsidiaries		<u>62,046</u>	<u>62,046</u>
10 Debtors		2023	2022
Amounts falling due within one year:		£	£
Trade debtors		309,712	529,823
Amounts owed by group undertakings		1,002,223	-
Other debtors		10,742	5,407
Prepayments and accrued income		15,972	13,794
		<u>1,338,649</u>	<u>549,024</u>

GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

11 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	38,859	108,966
Amounts owed to group undertakings	-	404,390
Corporation tax	57,237	85,233
Other taxation and social security	68,756	121,276
Other creditors	26,517	62,030
Accruals and deferred income	22,518	27,584
	<u>213,887</u>	<u>809,479</u>

12 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2023	Liabilities 2022
	£	£
Balances:		
ACAs	<u>11,735</u>	<u>2,522</u>
Movements in the year:		2023
		£
Liability at 1 April 2022		2,522
Charge to profit or loss		9,213
Liability at 31 March 2023		<u>11,735</u>

The deferred tax liability set out above relates to accelerated capital allowances.

13 Share capital

	2023	2022	2023	2022
	Number	Number	£	£
Ordinary share capital issued and fully paid				
Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>

14 Profit and loss reserves

Retained earnings as at the Balance Sheet date is fully distributable.

GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

15 Operating lease commitments

Lessee

The company entered into a 3 year operating lease for use of its current office space which expires in November 2024.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	37,050	37,050
Between two and five years	24,867	61,917
	<u>61,917</u>	<u>98,967</u>

16 Related party transactions

Transactions with related parties

The entity has taken advantage of disclosure exemptions for transactions with fully owned group companies.

The following amounts were outstanding at the reporting end date:

	2023 £	2022 £
Amounts due to related parties		
Owed to parent company - Garware Polyester Limited	-	404,390
	<u>-</u>	<u>404,390</u>

The following amounts were outstanding at the reporting end date:

	2023 £	2022 £
Amounts due from related parties		
Owed by subsidiary - Global Hi-Tech Films Inc	234,682	-
Owed by parent company - Garware Hi-Tech Limited	767,542	-
	<u>1,002,224</u>	<u>-</u>

17 Ultimate controlling party

The Company is controlled by Garware Hi-Tech Films Limited (Formerly known as Garware Polyester Limited). The controlling party is a listed company incorporated in India and listed on the Indian Stock Exchange. The directors regard Garware Hi-Tech Films Limited as the immediate and ultimate parent company. The registered office for Garware Polyester Limited is Naigaon, Post Waluj, Aurangabad, Maharashtra, India-431 133.

Copies of the financial statements of the parent company are available from Investor Relations at www.garwarehitechfilms.com.

GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

18 Cash (absorbed by)/generated from operations		2023	2022
		£	£
Profit for the year after tax		1,254,179	743,821
Adjustments for:			
Taxation charged		66,396	84,709
Investment income		(994,488)	(383,162)
Depreciation and impairment of tangible fixed assets		7,717	9,825
Movements in working capital:			
(Increase)/decrease in debtors		(789,625)	106,944
Decrease in creditors		(567,596)	(270,457)
Cash (absorbed by)/generated from operations		(1,023,417)	291,680

19 Analysis of changes in net funds	1 April 2022	Cash flows 31 March 2023	
	£	£	£
Cash at bank and in hand	2,147,990	(152,529)	1,995,461

GARWARE HI-TECH FILMS INTERNATIONAL LIMITED

DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

	2023		2022	
	£	£	£	£
Turnover				
Sales and commission		6,864,651		9,193,129
Cost of sales				
<i>Purchases and other direct costs</i>				
Purchases	4,809,193		7,157,301	
Profit or loss on foreign exchange	(140,703)		14,282	
Total purchases and other direct costs	4,668,490		7,171,583	
Total cost of sales		(4,668,490)		(7,171,583)
Gross profit		2,196,161		2,021,546
Distribution costs				
Hotel, travel and subsistence		(73,956)		(66,586)
Administrative expenses				
Wages and salaries	517,140		465,139	
Employer's N.I. contributions	185,789		143,644	
Staff welfare	2,833		5,657	
Other staff costs	5,067		25,075	
Directors' remuneration	921,361		758,421	
Rent, rates and service charge	66,532		36,766	
Cleaning	6,300		4,091	
Light and heat	5,534		4,742	
Premises insurance	4,845		4,177	
Computer expenses	131		370	
Legal and professional fees	31,765		5,245	
Accountancy	7,800		7,800	
Audit fees	16,517		17,483	
Bank charges	4,494		6,251	
Printing, postage and stationery	810		1,340	
Telephone	8,908		9,038	
Sundry expenses	2,575		4,528	
Depreciation	7,717		9,824	
		(1,796,118)		(1,509,591)
Operating profit		326,087		445,369
Interest receivable and similar income				
Bank interest	20,064		467	
Dividends receivable from group companies	974,424		382,695	
		994,488		383,162
Profit before taxation		1,320,575		828,531