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**CHT HOLDINGS LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**CHT HOLDINGS LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS** Mr R R Mandawewala (resigned 10 April 2017)  
Mr M Bansal  
L A Taylor (appointed 6 September 2016)  
D B Goenka (appointed 10 April 2017)

**COMPANY SECRETARY** Mr M Bansal

**REGISTERED NUMBER** 04566593

**REGISTERED OFFICE** Park Square  
Bird Hall Lane  
Stockport  
Cheshire  
SK3 0XF

**INDEPENDENT AUDITOR** Crowe Clark Whitehill LLP  
3rd floor  
The Lexicon  
Mount Street  
Manchester  
M2 5NT

**BANKERS** Bank of India  
79 Newton Street  
Manchester  
M1 1EX

Barclays Bank PLC  
PO Box 3333  
Snow Hill  
Queensway  
Birmingham  
B3 2WN

Bank of Baroda  
50 Swan Street  
Manchester  
M4 5JU

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CHT HOLDINGS LIMITED

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## CHT HOLDINGS LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2017

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#### INTRODUCTION

##### Principal activity

The principal activity of the group is the sourcing, distribution and retailing of towels, bed linen and associated bathroom and bedroom accessories. The principle activity of the company is to act as a holding company for the subsidiary companies involved in the trading business.

#### BUSINESS REVIEW

The Company's profit and loss account is shown on page 7 and the balance sheet on page 9. Sales for the year amounted to £29.23m compared with £26.24m in the previous year. Other Income received from the parent company is £3.1m, compared to £3.2m in the previous year. This contributed to an operating loss for the year of £0.7m, compared to a profit of £0.9m in 2016.

#### PRINCIPAL RISKS AND UNCERTAINTIES

##### Financial risk management

The group's operations expose it to a variety of financial risks that include credit risk, liquidity risk, interest rate risk and foreign exchange risk. The policies established are implemented and monitored

##### Credit risk

Where appropriate, relevant credit checks are performed on potential customers before sales are made. The amount of exposure to any individual customer is controlled by means of a credit limit that is monitored regularly by management and, in the case of a financially material value, by the executive directors.

##### Liquidity and interest rate risk

Throughout the year, the group was primarily funded through an interest bearing loan from its bankers, Bank of India and Bank of Baroda.

The group is exposed to interest rate risk on this loan (the rate is based upon a fixed margin above six month Sterling LIBOR). However, the directors do not consider this risk to be so significant as to warrant the need for formal policies to be put in place so as to manage this risk.

##### Foreign exchange risk

Foreign exchange risk is managed upon a group-wide basis by the executive directors. There is a written foreign exchange policy with the principal aim of minimising fluctuations in business performance arising from exchange rate movements. The group's main trading currencies are Sterling, US Dollar and the Euro. As a result of the group's sourcing routes, transactional hedges are maintained, supplemented as necessary by forward foreign exchange contracts.

#### FINANCIAL KEY PERFORMANCE INDICATORS

The company has moved from a profit before taxation position of £1.47m to a loss before tax of £0.71m, mainly due to price, less liquidation of inventory, focus on high margin customers and increased other income.

This report was approved by the board on

and signed on its behalf.



**Mr M Bansal**  
Director

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## CHT HOLDINGS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

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The directors present their report and the financial statements for the year ended 31 March 2017.

#### DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group strategic report, the 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 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'. 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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group financial statements and then apply them consistently;
- make judgments 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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £710 thousand (2016 - profit £914 thousand).

During the year ended 31 March 2016 a dividend of £nil was paid (2015: £nil).

#### DIRECTORS

The directors who served during the year were:

Mr R R Mandawewala (resigned 10 April 2017)

Mr M Bansal

L A Taylor (appointed 6 September 2016)

#### FUTURE DEVELOPMENTS

The Group is actively exploring various avenues to grow the business over the coming years to improve the visibility of the 'Christy' brand worldwide. All these activities have at their heart, tradition and high-quality that the 'Christy' brand has become synonymous with for more than a century. The Group can rely on the experience and support of its parent company to help it face newer challenges and thus write a new chapter in Christy's rich history.

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## CHT HOLDINGS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

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#### COMPANY'S POLICY FOR PAYMENT OF CREDITORS

The group agrees terms and conditions for its business transactions when orders for goods and services are placed, ensuring the suppliers are aware of the terms of payment and including the relevant terms in contracts where appropriate. These arrangements are adhered to when making payments, subject always to terms and conditions being met by the supplier.

#### EMPLOYEE INVOLVEMENT

It is the group's policy to provide information to its employees which both aid their understanding of their personal contribution to the success of the group and allow them to monitor progress towards profit based incentive schemes that cover the entire group. Employees receive regular monthly 'team briefs' and the company produce a quarterly newsletter. Semi-annually, detailed briefings are undertaken explaining progress against plan and details of the current year's targets.

#### DISABLED EMPLOYEES

It is the group's policy to give full and fair consideration to applications from disabled persons for those vacancies which, in the opinion of the directors, they are able to fill. The group is committed to continuing employment and appropriate training for existing employees who become disabled, having regard to their continued ability to fulfil the duties of the role. The group has an ongoing commitment to provide training, career development and promotion to disabled persons, in common with its commitments to the balance of employees.

#### DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

#### POST BALANCE SHEET EVENTS

There have been no significant events affecting the Group since the year end.

#### AUDITORS

The auditor, Crowe Clark Whitehill LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on

11/9/17

and signed on its behalf.

  
Mr M Bansal  
Director



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## CHT HOLDINGS LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHT HOLDINGS LIMITED

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We have audited the financial statements of CHT Holdings Limited for the year ended 31 March 2017, set out on pages 6 to 31. The relevant financial reporting framework that has been applied in their preparation is applicable law and the 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 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.

#### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' responsibilities statement on, the directors are 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 Financial Reporting Council'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 Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group strategic report and the Directors' report 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 Group's and the parent Company's affairs as at 31 March 2017 and of the Group's profit or loss 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, based on the work undertaken in the course of the audit, the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

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CHT HOLDINGS LIMITED

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHT HOLDINGS LIMITED  
(CONTINUED)

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our knowledge and understanding of the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report and the Directors' report.

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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.



M Jayson (Senior statutory auditor)

for and on behalf of  
**Crowe Clark Whitehill LLP**

Statutory Auditor

3rd floor  
The Lexicon  
Mount Street  
Manchester  
M2 5NT

Date: 11 SEP 2017



CHT HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £000	2016 £000
Turnover		29,230	26,237
Cost of sales		(18,086)	(15,733)
<b>GROSS PROFIT</b>		<b>11,144</b>	<b>10,504</b>
Administrative expenses		(14,662)	(12,047)
Other operating income		3,082	3,273
<b>OPERATING (LOSS)/PROFIT</b>		<b>(436)</b>	<b>1,730</b>
Interest receivable and similar income	10	12	19
Interest payable and expenses	11	(281)	(284)
<b>(LOSS)/PROFIT BEFORE TAX</b>		<b>(705)</b>	<b>1,465</b>
Tax on (loss)/profit	12	(5)	(551)
<b>(LOSS)/PROFIT FOR THE YEAR</b>		<b>(710)</b>	<b>914</b>
<b>Other comprehensive income:</b>			
Currency translation differences		52	15
		<b>52</b>	<b>15</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(658)</b>	<b>929</b>
<b>Profit for the year attributable to:</b>			
Owners of the parent company		710	(914)
		<b>710</b>	<b>(914)</b>


CHT HOLDINGS LIMITED  
REGISTERED NUMBER: 04566593

CONSOLIDATED BALANCE SHEET  
AS AT 31 MARCH 2017

	Note	2017 £000	2016 £000
<b>FIXED ASSETS</b>			
Intangible assets	14	2,081	2,430
Tangible assets	15	525	488
		<u>2,606</u>	<u>2,918</u>
<b>CURRENT ASSETS</b>			
Stocks	17	7,844	4,912
Debtors: amounts falling due within one year	18	8,983	8,965
Cash at bank and in hand	19	2,728	1,640
		<u>19,555</u>	<u>15,517</u>
Creditors: amounts falling due within one year	20	(17,677)	(13,293)
<b>NET CURRENT ASSETS</b>		<u>1,878</u>	<u>2,224</u>
<b>Total assets less current liabilities</b>		<u>4,484</u>	<u>5,142</u>
<b>PROVISIONS FOR LIABILITIES</b>			
<b>Net assets</b>		<u>4,484</u>	<u>5,142</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	23	1,594	1,594
Share premium account	24	3,174	3,174
Profit and loss account	24	(284)	374
<b>Equity attributable to owners of the parent Company</b>		<u>4,484</u>	<u>5,142</u>

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

  
**Mr M Bansal**  
Director

  
**L A Taylor**  
Director

11/9/17

The loss for the financial year dealt with in the financial statements of the parent Company was £265k (2016: £282k)

The notes on pages 13 to 31 form part of these financial statements.

CHT HOLDINGS LIMITED  
REGISTERED NUMBER: 04566593

COMPANY BALANCE SHEET  
AS AT 31 MARCH 2017

	Note	2017 £000	2016 £000
<b>FIXED ASSETS</b>			
Investments	16	4,921	4,921
		<u>4,921</u>	<u>4,921</u>
<b>CURRENT ASSETS</b>			
Debtors: Amounts falling due within one year	18	12,373	12,341
Cash at bank and in hand	19	19	19
		<u>12,392</u>	<u>12,360</u>
Creditors: Amounts falling due within one year	20	(13,489)	(13,192)
<b>Net current assets</b>		<u>(1,097)</u>	<u>(832)</u>
<b>Total assets less current liabilities</b>		<u>3,824</u>	<u>4,089</u>
<b>NET ASSETS EXCLUDING PENSION ASSET</b>			
		<u>3,824</u>	<u>4,089</u>
<b>Net assets</b>		<u>3,824</u>	<u>4,089</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	23	1,594	1,594
Share premium account	24	3,174	3,174
Profit and loss account	24	(944)	(679)
		<u>3,824</u>	<u>4,089</u>

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

  
Mr M Bansal  
Director

  
L A Taylor  
Director

11/9/17

CHT HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2017

	Share capital £000	Share premium £000	Retained earnings £000	Equity attributable to owners of parent Company £000	Total equity £000
At 1 April 2016	1,594	3,174	374	5,142	5,142
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>					
Loss for the year	-	-	(710)	(710)	(710)
Currency translation differences	-	-	52	52	52
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	-	(658)	(658)	(658)
<b>AT 31 MARCH 2017</b>	<b>1,594</b>	<b>3,174</b>	<b>(284)</b>	<b>4,484</b>	<b>4,484</b>

CHT HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2016

	Share capital £000	Share premium £000	Retained earnings £000	Equity attributable to owners of parent Company £000	Total equity £000
At 1 April 2015	1,594	3,174	(555)	4,213	4,213
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>					
Profit for the year	-	-	914	914	914
Currency translation differences	-	-	15	15	15
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	-	929	929	929
<b>AT 31 MARCH 2016</b>	<b>1,594</b>	<b>3,174</b>	<b>374</b>	<b>5,142</b>	<b>5,142</b>

The notes on pages 13 to 31 form part of these financial statements.



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CHT HOLDINGS LIMITED

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COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2017

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	Share capital £000	Share premium £000	Retained earnings £000	Total equity £000
At 1 April 2016	1,594	3,174	(679)	4,089
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>				
Loss for the year	-	-	(265)	(265)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	-	(265)	(265)
<b>AT 31 MARCH 2017</b>	<b>1,594</b>	<b>3,174</b>	<b>(944)</b>	<b>3,824</b>

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CHT HOLDINGS LIMITED

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COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2016

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	Share capital £000	Share premium £000	Retained earnings £000	Total equity £000
At 1 April 2015	1,594	3,174	(397)	4,371
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>				
Loss for the year	-	-	(282)	(282)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	-	(282)	(282)
<b>AT 31 MARCH 2016</b>	<u>1,594</u>	<u>3,174</u>	<u>(679)</u>	<u>4,089</u>

The notes on pages 13 to 31 form part of these financial statements.

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

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**1. GENERAL INFORMATION**

The group is a group limited by shares and incorporated in England. The company's registered office is Park Square, Bird Hall Lane, Stockport, Cheshire SK3 0XF.

**2. ACCOUNTING POLICIES**

**2.1 Basis of preparation of financial statements**

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2014.

**2.3 Going concern**

The group has traded profitably and, with parent support, has sufficient resources to pay its debts as it falls due.

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

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**2.5 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and loss account over its useful economic life.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**2.6 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.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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## CHT HOLDINGS LIMITED

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

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#### 2. ACCOUNTING POLICIES (CONTINUED)

Land is not depreciated. Depreciation on other assets 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:

Fixtures and fittings	- up to 10 years
Computer equipment	- up to 5 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 within 'other operating income' in the Consolidated statement of comprehensive income.

##### 2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

##### 2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### 2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 2.11 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans



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

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2. ACCOUNTING POLICIES (CONTINUED)

(continued)

and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- i) at fair value with changes recognised in the Profit and loss account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- ii) at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

**2.12 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.13 Employee termination benefits**

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits when it is demonstrably omitted to either (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or (ii) providing termination benefits as a result of an offer made to encourage voluntary redundancy.

**2.14 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and loss account within 'other operating income'.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

**2.15 Finance costs**

Finance costs are charged to the Profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.16 Operating leases: Lessee**

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

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

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2. ACCOUNTING POLICIES (CONTINUED)

2.17 Pensions

**Defined contribution pension plan**

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

The contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.18 Interest income

Interest income is recognised in the Profit and loss account using the effective interest method.

2.19 Borrowing costs

All borrowing costs are recognised in the Profit and loss account in the year in which they are incurred.

2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a change 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 balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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CHT HOLDINGS LIMITED

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

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3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION  
UNCERTAINTY

Judgements are applied in calculating stock provisions, which are based on the age of the stock and management assessment of realisable values.

4. ANALYSIS OF TURNOVER

Analysis of turnover by country of destination:

	2017 £000	2016 £000
United Kingdom	22,093	21,587
Rest of Europe	1,718	1,579
Rest of the world	5,419	3,071
	<u>29,230</u>	<u>26,237</u>

5. OTHER OPERATING INCOME

	2017 £000	2016 £000
Other operating income- commission and royalties	3,082	3,273
	<u>3,082</u>	<u>3,273</u>

6. OPERATING (LOSS)/PROFIT

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

	2017 £000	2016 £000
Depreciation	216	283
Amortisation of intangible assets	349	349
Stock expensed in the year	18,086	15,733
Including:		
- write-down stocks to net realisable value	371	392
Exchange differences	(35)	223
Defined contribution pension cost	68	90
<b>Operating lease charges</b>		
Property	727	749
Other	107	136
	<u></u>	<u></u>

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CHT HOLDINGS LIMITED

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

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**7. AUDITOR'S REMUNERATION**

	2017 £000	2016 £000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	16	16
	<u>16</u>	<u>16</u>
<b>Fees payable in respect of:</b>		
Other services relating to taxation	4	4
	<u>4</u>	<u>4</u>
	<u><u>4</u></u>	<u><u>4</u></u>

**8. EMPLOYEES**

Staff costs, including directors' remuneration, were as follows:

	2017 £000	2016 £000
Wages and salaries	5,139	3,955
Social security costs	386	287
Cost of defined contribution scheme	68	90
	<u>5,593</u>	<u>4,332</u>
	<u><u>5,593</u></u>	<u><u>4,332</u></u>

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

	2017 No.	2016 No.
Sales, distribution and marketing	220	208
Administration	41	37
	<u>261</u>	<u>245</u>
	<u><u>261</u></u>	<u><u>245</u></u>



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CHT HOLDINGS LIMITED

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

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9. DIRECTORS' REMUNERATION

	2017 £000	2016 £000
Directors' emoluments	237	437
Company contributions to defined contribution pension schemes	2	29
Compensation for loss of office	-	78
	<u>239</u>	<u>544</u>

During the year retirement benefits were accruing to 1 director (2016 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £163 thousand (2016 - £157 thousand).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £2 thousand (2016 - £14 thousand).

In addition to the above directors remuneration, which excludes National Insurance, the remuneration of other key management personnel amounted to £99 thousand (2016 - £114 thousand) excluding NIC.

10. INTEREST RECEIVABLE

	2017 £000	2016 £000
Other interest receivable	12	19
	<u>12</u>	<u>19</u>

11. INTEREST PAYABLE AND SIMILAR CHARGES

	2017 £000	2016 £000
Bank interest payable	123	117
Other loan interest payable	158	167
	<u>281</u>	<u>284</u>

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CHT HOLDINGS LIMITED

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

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**12. TAXATION**

	2017 £000	2016 £000
<b>CORPORATION TAX</b>		
Current tax on profits for the year	-	213
Adjustments in respect of previous periods	(64)	-
	<u>(64)</u>	<u>213</u>
<b>FOREIGN TAX</b>		
Foreign tax on income for the year	-	252
Foreign tax in respect of prior periods	3	-
	<u>3</u>	<u>252</u>
<b>Total current tax</b>	<u>(61)</u>	<u>465</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	66	86
<b>Total deferred tax</b>	<u>66</u>	<u>86</u>
<b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	<u>5</u>	<u>551</u>

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CHT HOLDINGS LIMITED

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

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12. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2016 - *lower than*) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £000	2016 £000
Profit on ordinary activities before tax	(705)	1,465
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	(141)	293
<b>EFFECTS OF:</b>		
Non-tax deductible amortisation of goodwill and impairment	70	70
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	6	(27)
Capital allowances for year in excess of depreciation	(63)	(45)
Adjustments to tax charge in respect of prior periods	(61)	-
Movement in deferred tax	66	86
Short term timing difference leading to an increase (decrease) in taxation	(2)	-
Effect of overseas group profits taxed at a different rates	-	174
Unrelieved tax losses carried forward	28	-
Unrelieved loss on foreign subsidiaries	104	-
Losses used	(2)	-
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	<b>5</b>	<b>551</b>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

13. PARENT COMPANY PROFIT FOR THE YEAR

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and loss account in these financial statements. The loss after tax of the parent Company for the year was £266 thousand (2016 - *loss* £282 thousand).

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CHT HOLDINGS LIMITED

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

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14. INTANGIBLE ASSETS

Group

	Goodwill £000
<b>COST</b>	
At 1 April 2016	6,991
At 31 March 2017	<u>6,991</u>
<b>AMORTISATION</b>	
At 1 April 2016	4,561
Charge for the year	349
At 31 March 2017	<u>4,910</u>
<b>NET BOOK VALUE</b>	
At 31 March 2017	<u>2,081</u>
At 31 March 2016	<u>2,430</u>

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CHT HOLDINGS LIMITED

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

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15. TANGIBLE FIXED ASSETS

Group

	Freehold property £000	Fixtures and fittings £000	Total £000
<b>COST OR VALUATION</b>			
At 1 April 2016	6	4,158	4,164
Additions	-	253	253
At 31 March 2017	6	4,411	4,417
<b>DEPRECIATION</b>			
At 1 April 2016	-	3,676	3,676
Charge for the year on owned assets	-	216	216
At 31 March 2017	-	3,892	3,892
<b>NET BOOK VALUE</b>			
At 31 March 2017	6	519	525
At 31 March 2016	6	482	488

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**CHT HOLDINGS LIMITED**

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

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**16. FIXED ASSET INVESTMENTS****SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Country of incorporation</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Christy Home Textiles Limited	England	Ordinary	100 %	Intermediate holding company
Welspun UK Limited	England	Ordinary	100 %	Design, manufacture, distribution and retailing of towels & bedding
E.R. Kingsley (Textiles) Limited	England	Ordinary	100 %	Design, sourcing, distribution and wholesaling of towels, table-linen & kitchen textiles
Christy UK Limited	England	Ordinary	100 %	Property Company
Christy 2004 Limited	England	Ordinary	100 %	Service Company
Christy Europe GmbH	Germany	Ordinary	100 %	Sales and distribution for Europe
Christy Lifestyle LLC	USA	N/A	100 %	Sales and distribution for USA

All of the subsidiaries are held via Christy Home Textiles Limited and have the same registered office as that of CHT Holdings Limited except for:

Christy Welspun GmbH  
Obere Breite 14, 72336 Balingen, Deutschland

Christy Lifestyle, LLC  
3901 Gantz Road, Grove City Ohio 43123

CHT HOLDINGS LIMITED

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

16. FIXED ASSET INVESTMENTS (CONTINUED)

Company

Investments  
in  
subsidiary  
companies  
£000

COST OR VALUATION

At 1 April 2016

4,921

NET BOOK VALUE

At 31 March 2017

4,921

At 31 March 2016

4,921

17. STOCKS

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Finished goods and goods for resale	7,844	4,912	-	-
	<u>7,844</u>	<u>4,912</u>	<u>-</u>	<u>-</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.



CHT HOLDINGS LIMITED

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

18. DEBTORS

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Trade debtors	5,221	5,134	-	-
Amounts owed by group undertakings	3,025	3,523	12,349	12,332
Other debtors	486	12	11	-
Prepayments and accrued income	55	55	13	9
Tax recoverable	20	-	-	-
Deferred taxation	176	241	-	-
	<u>8,983</u>	<u>8,965</u>	<u>12,373</u>	<u>12,341</u>

19. CASH AND CASH EQUIVALENTS

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Cash at bank and in hand	2,728	1,640	19	19
Less: bank overdrafts	(2,955)	(2,559)	-	-
	<u>(227)</u>	<u>(919)</u>	<u>19</u>	<u>19</u>

20. CREDITORS: Amounts falling due within one year

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Bank overdrafts	2,955	2,559	-	-
Bank loans	3,759	3,953	3,759	3,953
Trade creditors	4,252	2,484	-	-
Amounts owed to group undertakings	5,423	3,512	9,674	9,186
Corporation tax	-	105	-	-
Other taxation and social security	401	381	-	-
Other creditors	887	299	56	53
	<u>17,677</u>	<u>13,293</u>	<u>13,489</u>	<u>13,192</u>

CHT HOLDINGS LIMITED

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

21. FINANCIAL INSTRUMENTS

	<b>Group 2017 £000</b>	<b>Group 2016 £000</b>	<b>Company 2017 £000</b>	<b>Company 2016 £000</b>
<b>FINANCIAL ASSETS</b>				
Financial assets measured at cost through profit or loss	<u>11,461</u>	<u>10,308</u>	<u>12,378</u>	<u>12,351</u>
<b>FINANCIAL LIABILITIES</b>				
Financial liabilities measured at amortised cost	<u>(17,276)</u>	<u>(12,808)</u>	<u>(13,488)</u>	<u>(13,192)</u>

Financial assets measured at amortised cost comprise cash, trade debtors, amounts due to group and related undertakings and other debtors

Financial Liabilities measured at amortised cost comprise bank overdrafts, trade creditors, amounts owed to group and related undertakings and other creditors.

22. DEFERRED TAXATION

**Group**

	<b>Deferred tax £000</b>
At 1 April 2016	241
Charged to the profit or loss	<u>(65)</u>
<b>AT 31 MARCH 2017</b>	<u><b>176</b></u>

	<b>Group 2017 £000</b>	<b>Group 2016 £000</b>
Accelerated capital allowances	169	235
Short term timing differences	<u>7</u>	<u>6</u>
	<u><b>176</b></u>	<u><b>241</b></u>

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CHT HOLDINGS LIMITED

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

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23. SHARE CAPITAL

	2017 £000	2016 £000
<b>Allotted, called up and fully paid</b>		
159,316,100 Ordinary shares of £0.01 each	<u>1,594</u>	<u>1,594</u>

24. RESERVES

**Share premium**

The share premium account is the cumulative premium paid over and above the nominal value of shares issued.

**Profit and loss account**

The profit and loss account is the cumulative retained earnings of the company comprising of both distributable and non-distributable reserves.

25. PENSION COMMITMENTS

The group provides a deferred contribution scheme for its employees. The amount recognised as an expense for the defined contribution scheme was £68,000 (2016 - £98,000).

# CHT HOLDINGS LIMITED

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

### 26. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2017 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2017 £000</b>	<i>Group 2016 £000</i>		
<b>Buildings</b>				
Not later than 1 year	720	711		
Later than 1 year and not later than 5 years	1,809	1,614		
Later than 5 years	406	401		
<b>Total</b>	<b>2,935</b>	<b>2,726</b>		
	<b>Group 2017 £000</b>	<i>Group 2016 £000</i>	<b>Company 2017 £000</b>	<i>Company 2016 £000</i>
<b>Other</b>				
Not later than 1 year	51	81	-	-
Later than 1 year and not later than 5 years	34	100	-	-
<b>Total</b>	<b>85</b>	<b>181</b>	<b>-</b>	<b>-</b>

### 27. RELATED PARTY TRANSACTIONS

See note 9 for disclosure of the directors' remuneration and key management personnel compensation.

The group is exempt from disclosing related party transactions between wholly owned group members. There are no other related party transactions to disclose for the year.

### 28. CONTROLLING PARTY

The immediate parent undertaking, by virtue of its 100% shareholding in CHT Holdings Limited, is Welspun Home Textiles UK Limited, a company registered in the United Kingdom.

At 31st March 2017, the ultimate parent undertaking and controlling party is Welspun India Limited, a company incorporated in India and quoted on Mumbai (India) Stock Exchange. The Mumbai (India) Stock Exchange address is Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001, India.

Welspun India Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 March 2017. The consolidated financial statements of Welspun India Limited are publicly available.

Welspun Home Textiles UK Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements.