

Company registration number 03902741 (England and Wales)

**WELSPUN UK LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

# WELSPUN UK LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr M Bansal Mr M Pareek Ms V G Misra	(Appointed 1 February 2023)
<b>Secretary</b>	Mr M Bansal	
<b>Company number</b>	03902741	
<b>Registered office</b>	6th Floor Regent House Heaton Lane Stockport Cheshire England SK4 1BS	
<b>Auditor</b>	AMS Accountants Corporate Ltd Chartered Accountants Floor 2 9 Portland Street Manchester M1 3BE	

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# WELSPUN UK LIMITED

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# WELSPUN UK LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2023

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

The principal activities of the company are the sourcing, distribution and retailing of terry towels, robes and associated bathroom products, along with the distribution and retailing of branded bed linen and branded accessories.

#### **Business Review**

The Christy brand is a premier UK towel and bedding brand. The business was originally established in 1850 by members of the Christy family. The company was acquired by Welspun India Ltd in June 2006.

The company's statement of comprehensive income is shown on page 6 and the balance sheet on page 7. Sales for the current year were £23.1m compared to £25.1m for the previous year. The company has increased its focus on expanding footprints in ecom sector and accordingly a project to reamp ecom website and brand was undertaken.

#### **Principal Risks and Uncertainties**

##### **Financial risk management**

The group's operations expose it to a wide variety of financial risks that include credit risk, liquidity risk, interest rate risk and foreign exchange risk. Given the size of the company, the directors have not established a subcommittee of the Board to monitor financial risk management.

##### **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 financial material value, by the executive directors of its intermediate parent, CHT Holdings Limited.

##### **Liquidity and interest rate risk**

The company's working capital requirements are funded by CHT Holdings Limited. These risks are therefore managed and monitored at that level.

##### **Foreign exchange risk**

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

##### **Financial Key Performance Indicators**

The company has posted a profit before tax of £0.5m compared to £1.1m in the previous year.

On behalf of the board

.....  
Ms V G Misra

**Director**

Date: .....

# WELSPUN UK LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2023

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

#### Results and dividends

The results for the year are set out on page 7.

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:

Mr M Bansal

Mrs D B Goenka

(Resigned 1 March 2023)

Mr M Pareek

Ms V G Misra

(Appointed 1 February 2023)

#### Auditor

In accordance with the company's articles, a resolution proposing that AMS Accountants Corporate Ltd 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 annual 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;
- 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 each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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 auditor is aware of that information.

# WELSPUN UK LIMITED

## DIRECTORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 MARCH 2023*

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On behalf of the board

.....

Ms V G Misra

**Director**

Date: .....

# WELSPUN UK LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF WELSPUN UK LIMITED

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### Opinion

We have audited the financial statements of Welspun UK Limited (the 'company') for the year ended 31 March 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 Financial Reporting Standard 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

# WELSPUN UK LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF WELSPUN UK LIMITED

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### **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.

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. Based on our understanding of the Company and its industry, we identified that the principal risks of noncompliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering and we considered the extent to which noncompliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the Director's and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with the Directors and management their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.



# WELSPUN UK LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF WELSPUN UK LIMITED

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Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of the Directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

### Use of our report

This report is made solely to the company's member 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 member those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.

**Mr David Clegg BFP FCA**  
**Senior Statutory Auditor**  
**For and on behalf of AMS Accountants Corporate Ltd**

Date: .....

**Chartered Accountants**  
**Statutory Auditor**

Chartered Accountants  
Floor 2  
9 Portland Street  
Manchester  
M1 3BE

# WELSPUN UK LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

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	Notes	2023 £000	2022 £000
<b>Turnover</b>	<b>3</b>	23,137	25,073
Cost of sales		(15,753)	(17,126)
<b>Gross profit</b>		<u>7,384</u>	<u>7,947</u>
Administrative expenses		(8,351)	(7,978)
Other operating income		1,590	1,072
<b>Operating profit</b>	<b>4</b>	<u>623</u>	<u>1,041</u>
Interest payable and similar expenses	<b>7</b>	(85)	-
<b>Profit before taxation</b>		<u>538</u>	<u>1,041</u>
Tax on profit	<b>8</b>	-	-
<b>Profit for the financial year</b>		<u><u>538</u></u>	<u><u>1,041</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# WELSPUN UK LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £000	£000	2022 £000	£000
<b>Fixed assets</b>					
Goodwill	9		-		40
Tangible assets	10		66		17
Investments	11		10,957		10,957
			<u>11,023</u>		<u>11,014</u>
<b>Current assets</b>					
Stocks	13	2,821		2,875	
Debtors	14	21,114		20,188	
Cash at bank and in hand		633		794	
		<u>24,568</u>		<u>23,857</u>	
<b>Creditors: amounts falling due within one year</b>	15	(26,913)		(26,476)	
<b>Net current liabilities</b>			<u>(2,345)</u>		<u>(2,619)</u>
<b>Total assets less current liabilities</b>			8,678		8,395
<b>Provisions for liabilities</b>					
Provisions	16	-		255	(255)
		<u>-</u>		<u>255</u>	<u>(255)</u>
<b>Net assets</b>			<u>8,678</u>		<u>8,140</u>
<b>Capital and reserves</b>					
Called up share capital	19		5,094		5,094
Profit and loss reserves			3,584		3,046
			<u>8,678</u>		<u>8,140</u>
<b>Total equity</b>			<u>8,678</u>		<u>8,140</u>

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

.....  
Ms V G Misra  
Director

Company Registration No. 03902741

# WELSPUN UK LIMITED

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

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	Share capital	Profit and loss reserves	Total
	£000	£000	£000
<b>Balance at 1 April 2021</b>	5,094	2,005	7,099
<b>Year ended 31 March 2022:</b>			
Profit and total comprehensive income for the year	-	1,041	1,041
	<u>5,094</u>	<u>3,046</u>	<u>8,140</u>
<b>Balance at 31 March 2022</b>	5,094	3,046	8,140
<b>Year ended 31 March 2023:</b>			
Profit and total comprehensive income for the year	-	538	538
	<u>5,094</u>	<u>3,584</u>	<u>8,678</u>
<b>Balance at 31 March 2023</b>	<u>5,094</u>	<u>3,584</u>	<u>8,678</u>

# WELSPUN UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 Accounting policies

##### Company information

Welspun UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is 6th Floor, Regent House, Heaton Lane, Stockport, Cheshire, England, SK4 1BS.

#### 1.1 Accounting convention

These 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 £000.

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

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Welspun Home Textiles Limited. These consolidated financial statements are available from Companies House.

#### 1.2 Going concern

The directors are aware of certain uncertainties with regard to economic outlook caused by inflation and related individual consumer spending abilities which possess a hinderance to company's growth plans. As a result of these uncertainties the company continue to take various strategic decisions including diversification and foraying into overseas markets.

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

# WELSPUN UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 Accounting policies

(Continued)

##### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), 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 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

##### 1.5 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:

Plant and equipment	Between 5 and 10 years straight line basis
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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.

##### 1.6 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 profit or loss.

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.

# WELSPUN UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 Accounting policies

(Continued)

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

#### 1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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 profit or loss, 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) 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.

#### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.9 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.

# WELSPUN UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 Accounting policies

(Continued)

##### 1.10 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 instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

##### **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.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, 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. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company 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.



# WELSPUN UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors 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 profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

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

#### **1.11 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.

#### **1.12 Provisions**

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

# WELSPUN UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 1 Accounting policies (Continued)

#### 1.13 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.

#### 1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.15 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.

#### 1.16 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.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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

### 3 Turnover

	2023	2022
	£000	£000
<b>Turnover analysed by geographical market</b>		
United Kingdom	19,601	19,790
Rest of Europe	918	1,097
Rest of the World	2,618	4,186
	<u>23,137</u>	<u>25,073</u>

# WELSPUN UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 4 Operating profit

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(147)	45
Fees payable to the company's auditor for the audit of the company's financial statements	27	21
Depreciation of owned tangible fixed assets	20	32
Profit on disposal of tangible fixed assets	(3)	(7)
Amortisation of intangible assets	40	5
Operating lease charges	105	151
	<u>          </u>	<u>          </u>

### 5 Employees

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

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
Sales, distribution and marketing	33	40
Administration	16	7
	<u>          </u>	<u>          </u>
Total	49	47
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	1,998	1,815
Social security costs	226	193
Pension costs	38	39
	<u>          </u>	<u>          </u>
	2,262	2,047
	<u>          </u>	<u>          </u>

### 6 Directors' remuneration

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Remuneration for qualifying services	314	225
Company pension contributions to defined contribution schemes	5	41
	<u>          </u>	<u>          </u>
	319	266
	<u>          </u>	<u>          </u>

# WELSPUN UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 6 Directors' remuneration

(Continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Remuneration for qualifying services	113	122
Company pension contributions to defined contribution schemes	4	5
	<u>          </u>	<u>          </u>

### 7 Interest payable and similar expenses

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Interest on bank overdrafts and loans	85	-
	<u>          </u>	<u>          </u>

### 8 Taxation

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:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Profit before taxation	538	1,041
	<u>          </u>	<u>          </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	102	198
Tax effect of expenses that are not deductible in determining taxable profit	-	41
Tax effect of utilisation of tax losses not previously recognised	(86)	(117)
Permanent capital allowances in excess of depreciation	(16)	(122)
	<u>          </u>	<u>          </u>
Taxation charge for the year	-	-
	<u>          </u>	<u>          </u>

The company has unrelieved tax losses of £441 thousand (2022 : £442 thousand) available for utilisation against future taxable profits.

# WELSPUN UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 9 Intangible fixed assets

	<b>Goodwill £000</b>
<b>Cost</b>	
At 1 April 2022 and 31 March 2023	100
<b>Amortisation and impairment</b>	
At 1 April 2022	60
Amortisation charged for the year	40
At 31 March 2023	100
<b>Carrying amount</b>	
At 31 March 2023	-
At 31 March 2022	40

### 10 Tangible fixed assets

	<b>Plant and equipment £000</b>
<b>Cost</b>	
At 1 April 2022	3,867
Additions	69
Disposals	(1,352)
At 31 March 2023	2,584
<b>Depreciation and impairment</b>	
At 1 April 2022	3,850
Depreciation charged in the year	20
Eliminated in respect of disposals	(1,352)
At 31 March 2023	2,518
<b>Carrying amount</b>	
At 31 March 2023	66
At 31 March 2022	17

### 11 Fixed asset investments

	<b>Notes</b>	<b>2023 £000</b>	<b>2022 £000</b>
Investments in subsidiaries	<b>12</b>	10,957	10,957

### 12 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 are as follows:

# WELSPUN UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 12 Subsidiaries

(Continued)

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Christy 2004 Limited	England and Wales	Service company	Ordinary	100.00
Christy Lifestyle LLC	USA	Sales and distribution	Ordinary	100.00
Christy Europe GmbH	Germany	Sales and distribution	N/A	100.00

The subsidiaries have the same registered office as the company except for :

Christy Europe GmbH  
Obere Breite 14  
72336 Balingen  
Deutschland

Christy Lifestyle LLC  
3901 Gantz Road  
Grove City  
Ohio  
43123

### 13 Stocks

	2023 £000	2022 £000
Finished goods and goods for resale	2,821	2,875

### 14 Debtors

	2023 £000	2022 £000
<b>Amounts falling due within one year:</b>		
Trade debtors	2,872	2,485
Amounts owed by group undertakings	17,956	17,417
Other debtors	-	5
Prepayments and accrued income	110	105
	<u>20,938</u>	<u>20,012</u>
<b>Amounts falling due after more than one year:</b>		
Deferred tax asset (note 17)	176	176
	<u>176</u>	<u>176</u>
<b>Total debtors</b>	<u>21,114</u>	<u>20,188</u>

# WELSPUN UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 15 Creditors: amounts falling due within one year

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	1,394	1,328
Amounts owed to group undertakings	23,600	23,173
Corporation tax	90	90
Other taxation and social security	268	130
Other creditors	523	755
Accruals and deferred income	1,038	1,000
	<u>26,913</u>	<u>26,476</u>

All amounts owed to group undertakings are unsecured and repayable on demand.

Bank overdrafts with Bank of India are secured by a debenture over all property and assets of the company.

### 16 Provisions for liabilities

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Restructure provision	-	255
	<u>-</u>	<u>255</u>
Movements on provisions:		<b>Restructure provision £000</b>
At 1 April 2022		255
Utilisation of provision		(255)
At 31 March 2023		<u>-</u>

The provision represents costs of the planned restructure, which includes costs in respect of store closures, stock reduction and relocation of operations.

# WELSPUN UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	<b>Assets 2023 £000</b>	<b>Assets 2022 £000</b>
<b>Balances:</b>		
Accelerated capital allowances	80	176
Tax losses	96	-
	<u>176</u>	<u>176</u>

There were no deferred tax movements in the year.

### 18 Retirement benefit schemes

	<b>2023 £000</b>	<b>2022 £000</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	38	39
	<u>38</u>	<u>39</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 19 Share capital

	<b>2023 £000</b>	<b>2022 £000</b>
<b>Ordinary share capital Issued and fully paid</b>		
5,093,577 Ordinary shares of £1 each	5,094	5,094
	<u>5,094</u>	<u>5,094</u>

### 20 Operating lease commitments

#### Lessee

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:

	<b>2023 £000</b>	<b>2022 £000</b>
Within one year	38	114
Between two and five years	43	135
	<u>81</u>	<u>249</u>

### 21 Related party transactions



# WELSPUN UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 21 Related party transactions

(Continued)

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

The key management personnel and directors are the same and therefore this information is disclosed in note 6 of the financial statements.

#### 22 Ultimate controlling party

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

At 31 March 2023, 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 2023. The consolidated financial statements of Welspun India Limited are publicly available.

CHT Holdings Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements.