Company Registration No. 02238472 (England and Wales)

BYWAYS LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

PAGES FOR FILING WITH REGISTRAR

BYWAYS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	3		2,160,340		2,236,546
Investments	4		6,664		2,199
			2,167,004		2,238,745
Current assets					
Stocks		365,389		351,696	
Debtors	5	743,797		884,840	
Cash at bank and in hand		516,405		582,086	
		1,625,591		1,818,622	
Creditors: amounts falling due within one year	6	(1,865,930)		(2,156,714)	
Net current liabilities			(240,339)		(338,092)
Total assets less current liabilities			1,926,665		1,900,653
Creditors: amounts falling due after more than one year	7		(1,818,929)		(1,228,216)
Provisions for liabilities	8		(10,763)		(105,459)
Net assets			96,973		566,978
Capital and reserves					
Called up share capital	9		67		67
Share premium account			58,326		58,326
Capital redemption reserve			39		39
Profit and loss reserves			38,541		508,546
Total equity			96,973		566,978

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

BYWAYS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2017

For the financial year ended 31 December 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on ......1.8.18....... and are signed on its behalf by:

....	....
M P Cohen	D Hyde
Director	**Director**

Company Registration No. 02238472

1 Accounting policies

Company information

Byways Limited is a private company limited by shares incorporated in England and Wales. The registered office is Palladium House, 1-4 Argyll Street, London, W1F 7LD.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 £.

The financial statements have been prepared on the historical cost convention, as modified to include the revaluation of certain tangible fixed assets and certain financial instruments. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover represents amounts receivable for goods net of VAT and trade discounts.

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.

Other income includes commissions and rebates receivable which are recognised when a connected company makes a commission based sale.

Management fees receivable and rental income are recognised on an accruals basis.

1.3 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated. All other research and development expenditure has been written off to the profit and loss account.

1.4 Tangible fixed assets

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

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

Land and buildings Freehold	2% straight line
Plant and machinery	15% reducing balance
Fixtures, fittings and equipment	15% reducing balance
Computer equipment	33% reducing balance
Motor vehicles	25% reducing balance

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

1 Accounting policies **(Continued)**

1.5 Impairment of fixed assets

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

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

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

1.6 Stocks

Stocks represents raw materials and completed garment labels and are stated at the lower of cost and estimated selling price less costs to complete and sell on a first in first out (FIFO) basis. 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.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stock 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.

1.7 Cash at bank and in hand

Cash at bank and in hand 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.

1.8 Financial instruments

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

Financial 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.

1 Accounting policies **(Continued)**

Basic financial assets

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

Other financial assets

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

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

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

Impairment of financial assets

Financial assets, other than those held at fair value through 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.

1 Accounting policies **(Continued)**

Basic financial liabilities
Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies 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 receipts discounted at a market rate of interest.

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. Trade creditors 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.

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

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

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

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax
Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1 Accounting policies **(Continued)**

1.11 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.

1.12 Retirement benefits

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

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

1.14 Foreign exchange

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

1.15 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 399 of the Companies Act 2006 not to prepare group accounts.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 79 (2016 - 95).

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2017	1,573,814	2,327,151	3,900,965
Additions	-	58,214	58,214
At 31 December 2017	1,573,814	2,385,365	3,959,179
Depreciation and impairment			
At 1 January 2017	51,853	1,612,566	1,664,419
Depreciation charged in the year	18,886	115,534	134,420
At 31 December 2017	70,739	1,728,100	1,798,839
Carrying amount			
At 31 December 2017	1,503,075	657,265	2,160,340
At 31 December 2016	1,521,961	714,585	2,236,546

4 Fixed asset investments

	2017	2016
	£	£
Investments	6,664	2,199

Included within the accounts is a wholly owned dormant subsidiary, Labelistic Limited valued at £nil.

During the year, the company set up Byways Bangladesh Ltd, a wholly owned subsidiary incorporated in Bangladesh.

Movements in fixed asset investments

	Investments other than loans
	£
Cost or valuation	
At 1 January 2017	2,199
Additions	4,465
At 31 December 2017	6,664
Carrying amount	
At 31 December 2017	6,664
At 31 December 2016	2,199

5 Debtors

Amounts falling due within one year:	**2017 £**	**2016 £**
Trade debtors	486,899	597,058
Other debtors	256,898	287,782
	743,797	884,840

6 Creditors: amounts falling due within one year

	2017 £	**2016 £**
Bank loans and overdrafts	75,797	73,308
Trade creditors	384,879	371,733
Corporation tax	-	13,877
Other taxation and social security	152,559	158,653
Other creditors	1,252,695	1,539,143
	1,865,930	2,156,714

The debt factoring creditor is secured by way of a charge over the trade debtors of the company.

7 Creditors: amounts falling due after more than one year

	2017 £	**2016 £**
Bank loans and overdrafts	664,376	748,123
Other creditors	1,154,553	480,093
	1,818,929	1,228,216

The bank loan is secured by way of a first legal charge over the assets of the company.

8 Deferred taxation

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

Balances:	**Liabilities 2017 £**	**Liabilities 2016 £**
ACAs	99,170	116,688
Tax losses	(88,407)	(11,229)
	10,763	105,459

8 Deferred taxation (Continued)

Movements in the year:	2017 £
Liability at 1 January 2017	105,459
Credit to profit or loss	(94,696)
Liability at 31 December 2017	10,763

9 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
3,640 Ordinary A shares of 1p each	36	36
1,235 Ordinary B shares of 1p each	13	13
1,820 Ordinary C shares of 1p each	18	18
	67	67

10 Financial commitments, guarantees and contingent liabilities

The company is party to a banking arrangement with HSBC Bank Plc whereby an unlimited multilateral guarantee is given for the bank loan facilities of Byways Limited and Byways Holdings Limited. At the balance sheet date, the potential liability in respect of these facilities was £nil (2016: £nil).

11 Operating lease commitments

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

	2017 £	2016 £
	84,333	128,333

12 Related party transactions

During the year, the company traded with Byways Far East Limited, Byways Istanbul Tekstil Akseuar Limited and Byways India PVT Limited which are all subsidiaries of Byways Holdings Limited, a company under common ownership. The company also traded with Byways Printing Company Limited which is a subsidiary of Byways Far East Limited.

Included within trade debtors are the following balances:
Byways Far East Limited: £10,754 (2016: £18,489)
Byways Istanbul Tekstil Akseuar Limited: Credit £870 (2016: Credit £3,410)
Byways India PVT Limited: Credit £293 (2016: £99)

Included within trade creditors are the following balances:
Byways Far East Limited : £7,761 (2016: £15,572)
Byways Istanbul Tekstil Akseuar Limited: £315 (2016: £436)
Byways India PVT Limited: £152 (2016: £76)
Byways Printing Company Limited: £49,096 (2016: £25,935)

Included within other debtors are the following balances:
Byways Far East Limited : £56,901 (2016: £94,905)
Byways Istanbul Tekstil Akseuar Limited: £19,693 (2016: £24,483)
Byways India PVT Limited: £11,172 (2016: £5,738)

Included within other creditors more than one year are the following balances:
Byways Holdings Limited: £780,708 (2016: £480,093)
Byways Far East Limited : £373,845 (2016: £Nil)

Included within other operating income are commissions and rebates receivable of the following amounts:
Byways Far East Limited: £817,928 (2016: £839,306)
Byways Istanbul Tekstil Akseuar Limited: £265,791 (2016: £322,262)
Byways India PVT Limited: £102,757 (2016: £83,894)

Included in management fees receivable are the following amounts:
Byways Far East Limited: £337,139 (2016: £227,910)
Byways Istanbul Tekstil Akseuar Limited: £220,000 (2016: £250,000)
Byways India PVT Limited: £220,000 (2016: £100,000)

Turnover includes the following amounts:
Byways Far East Limited: £162,900 (2016: £286,787)
Byways Istanbul Tekstil Akseuar Limited: £24,628 (2016: £84,151)
Byways India PVT Limited: £Nil (2016: £528)

Purchases includes the following amounts:
Byways Far East Limited: £217,630 (2016: £200,176)
Byways Istanbul Tekstil Akseuar Limited: £7,483 (2016: £13,749)
Byways India PVT Limited: £1,264 (2016: £3,069)
Byways Printing Company Limited: £334,645 (2016: £302,179)

At the year end, the directors were owed in total £18,796 (2016: £175,505) by the company.