

Staveley Industries Limited

Annual Report and Financial Statements

For the year ended 31 December 2020

**Registered number
866**



Staveley Industries Limited

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Staveley Industries Limited

Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 December 2020.

Principal Activities and Business Review

The principal activity of the Company is the holding of investments in group companies. It is not anticipated that there will be any changes to the Company's activities in the foreseeable future.

Financial Risk Management

Financial risks are monitored on an ongoing basis but the Company does not enter into any hedging activity and does not use financial instruments in this regard.

Going Concern

The company has net current liabilities at 31 December 2020, is reliant on financial support to be able to meet its liabilities as they fall due and has received a letter of financial support from GPG (UK) Holdings Limited, an intermediate parent company. This results in judgement required over the use of the going concern basis in the preparation of the financial statements. The Directors have made enquiries into the adequacy of both the Company and GPG (UK) Holdings Limited's financial resources, through a review of the current financial projections and the financing facilities available. In assessing going concern, the Directors have considered a number of factors, including the response to COVID-19 by GPG (UK) Holdings Limited, the current balance sheet position and available liquidity and the principal and emerging risks which could impact the performance of GPG (UK) Holdings Limited. Further disclosure on the impact and response to COVID-19 is available in the Coats Group plc 2020 annual report. The Company's and GPG (UK) Holdings Limited's forecasts and projections take account of reasonably possible changes in trading performance. Giving due consideration to the financial resources available to the Company and GPG (UK) Holdings Limited and, in particular, taking account of the support referred to above, the Directors have a reasonable expectation that the company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, the Directors believe it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Post Balance Sheet Events

There are no significant post balance sheet events.

Directors

The directors who served throughout the year and thereafter were as follows:

J. Gunningham
R. Mann (Appointed 1 September 2020)
W. K. Chiang (Resigned 1 June 2020)
N. J. Kidd
R. C. Reade

Directors' Indemnities

The Company's ultimate parent company, Coats Group plc provides certain protections for Directors and officers of companies within the Coats Group plc group against personal financial exposure that they may incur in the course of their professional duties.

Secretary

At the date of this report, there is no Company Secretary.

Results and Dividends

The result for the year after taxation amounted to £nil (2019: loss of £92,000).

Auditor

In the case of each of the persons who are directors of the Company at the date when this report is approved:

- * so far as each of the directors is aware, there is no relevant audit information (as defined by the Companies Act 2006) of which the Company's auditor is unaware; and
- * each of the directors has taken all the steps that they ought to take as a director to make themselves aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Pursuant to Section 487 of the Companies Act 2006, the auditors, Deloitte LLP, have been reappointed and will continue in office as auditors of the company.

Directors' Responsibilities Statement

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), including FRS 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 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 judgments and accounting estimates that are reasonable and prudent; and
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions relating to small companies under section 415a of the Companies Act 2006.

By order of the Board



J Gunningham
Director

16 April 2021

Registered office:

4 Longwalk Road, Stockley Park, Uxbridge, UB11 1FE.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STAVELEY INDUSTRIES LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Staveley Industries Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 13.

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).

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 Financial Reporting Council's (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 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.

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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STAVELEY INDUSTRIES LIMITED (continued)

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit, and the Coats Group plc audit and risk committee about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations, pensions, IT, and industry specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, and reviewing internal audit reports.

Report on other legal and regulatory requirements

Opinions on other matters 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

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.



Gordon Whiley FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

16 April 2021

Staveley Industries Limited

Profit and Loss Account

Year ended 31 December 2020	Notes	2020 £000	2019 £000
Administrative expense	5	-	(92)
Loss before taxation		-	(92)
Tax on loss	7	-	-
Loss for the year		-	(92)

All results derive solely from continuing operations.

The notes on pages 7 to 9 form part of these financial statements.

The Company has no other comprehensive income attributable to equity shareholders of the Company in the year or the preceding year and accordingly no statement of comprehensive income is presented.

Staveley Industries Limited

Balance Sheet

As at 31 December 2020	Notes	2020 £000	2019 £000
FIXED ASSETS			
Investments	8	<u>2,123</u>	<u>2,123</u>
		2,123	2,123
CURRENT ASSETS			
Debtors	9	<u>1,902</u>	<u>1,994</u>
		1,902	1,994
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	(3,258)	(3,258)
NET CURRENT LIABILITIES		<u>(1,356)</u>	<u>(1,264)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		767	859
PROVISIONS FOR LIABILITIES	6	-	(92)
NET ASSETS		<u><u>767</u></u>	<u><u>767</u></u>
CAPITAL AND RESERVES			
Called up share capital	11	-	-
Profit and loss account		<u>767</u>	<u>767</u>
EQUITY SHAREHOLDER'S FUNDS		<u><u>767</u></u>	<u><u>767</u></u>

The financial statements of Staveley Industries Limited, registered number 866, were approved by the Board of Directors and authorised for issue on 16 April 2021.



J Gunningham
Director

The notes on pages 7 to 9 form part of these financial statements.

Staveley Industries Limited

Statement of Changes in Equity

Year ended 31 December 2020	Called up share capital £000	Profit and loss account £000	Total £000
At 1 January 2019	-	859	859
Loss for the year	-	(92)	(92)
Total comprehensive loss for the year	-	(92)	(92)
At 31 December 2019	-	767	767
Result for the year	-	-	-
Total comprehensive result for the year	-	-	-
At 31 December 2020	-	767	767

The notes on pages 7 to 9 form part of these financial statements.

Staveley Industries Limited

Notes to Financial Statements
Year ended 31 December 2020

1 STATEMENT OF ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

1 a) General information and basis of accounting

Staveley Industries Limited is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales.

The address of the registered office of Staveley Industries Limited ("the Company") is set out on page 1. The nature of the Company's operations and its principal activities are set out in the director report on page 1.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The financial statements are prepared and presented in GBP.

Staveley Industries Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements.

Staveley Industries Limited is consolidated in the financial statements of its ultimate parent, Coats Group plc. The address of the registered office of Coats Group plc, is set out in note 12.

Disclosure exemptions have been taken in these separate Company financial statements in relation to financial instruments, the presentation of a cash flow statement and remuneration of key management personnel.

The Company has taken advantage of the exemption in FRS 102 33.1A not to disclose transactions with entities 100% of whose voting rights are controlled within the Group.

1 b) Taxation

Corporation tax payable is provided on taxable profits using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date, except to the extent that the losses are transferred from another group company under the group relief provisions, without corresponding payment by the claimant company.

1 c) Going concern

The company has net current liabilities at 31 December 2020, is reliant on financial support to be able to meet its liabilities as they fall due and has received a letter of financial support from GPG (UK) Holdings Limited, an intermediate parent company. This results in judgement required over the use of the going concern basis in the preparation of the financial statements. The Directors have made enquiries into the adequacy of both the Company and GPG (UK) Holdings Limited's financial resources, through a review of the current financial projections and the financing facilities available. In assessing going concern, the Directors have considered a number of factors, including the response to COVID-19 by GPG (UK) Holdings Limited, the current balance sheet position and available liquidity and the principal and emerging risks which could impact the performance of GPG (UK) Holdings Limited. Further disclosure on the impact and response to COVID-19 is available in the Coats Group plc 2020 annual report. The Company's and GPG (UK) Holdings Limited's forecasts and projections take account of reasonably possible changes in trading performance. Giving due consideration to the financial resources available to the Company and GPG (UK) Holdings Limited and, in particular, taking account of the support referred to above, the Directors have a reasonable expectation that the company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, the Directors believe it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

1 d) Financial instruments

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

1 e) Investments

Investments acquired with the intention of being held for the long term (excluding investments in subsidiary undertakings and associated undertakings, joint ventures and joint arrangements) are recorded as fixed asset investments and are stated at cost or, where there has been a permanent diminution in value, at market value.

Profit on the disposal of fixed asset investments is recognised on the trade date.

Investments in subsidiaries are valued at cost less impairment provisions.

1 f) Impairment of assets

Assets including investments in subsidiary undertakings and amounts due from subsidiary undertakings, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the profit and loss account and the asset is reduced to its recoverable amount.

1 g) Provisions

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Staveley Industries Limited

Notes to Financial Statements
Year ended 31 December 2020

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors do not believe there to be any critical accounting judgements or key sources of estimation uncertainty.

3 Auditor's remuneration

Auditor's remuneration for the audit of the Company's annual accounts was £3,430 (2019: £3,343) and was borne by a fellow group company.

4 Directors and employees

The Company had no employees during the year (2019: nil).

The Directors received no emoluments in respect of their services to the Company (2019: nil).

5 Administrative expense

	2020 £000	2019 £000
Provision charge in the year (note 6)	-	92
	-	92

6 Provisions for Liabilities

	Pension liabilities £000
At 1 January 2020	92
Utilised in the year	(92)
At 31 December 2020	-

Provisions of £nil (2019: £92,000) payable within one year related to a section 75 employer debt relating to the Plumbing & Mechanical Services (UK) Industry Pension Scheme. This amount was paid in January 2020 and the Company has no further financial obligations to the Scheme.

7 Tax on loss

	2020 £000	2019 £000
<i>Current tax:</i>		
UK corporation tax at 19% (2019: 19%)	-	-
The current tax expense differs from the standard rate of corporation tax in the UK of 19% (2019: 19%)		
The differences are explained below:	2020 £000	2019 £000
Loss before taxation	-	(92)
Loss multiplied by standard rate of tax in the UK of 19% (2019: 19%)	-	(17)
Group surrendered without consideration	-	17
TOTAL TAX CHARGE	-	-

On 11 March 2020 the government announced that the main UK corporation tax rate for the years starting 1 April 2020 and 2021 would remain at 19%. This change was substantively enacted on 17 March 2020. Therefore at 31 December 2020, any unprovided amounts of deferred tax assets and liabilities are calculated based on rates of 19%.

Subsequent to the year end, on 3 March 2021 the government announced an increase to the main UK corporation tax rate from April 2023 to 25% which has not yet been substantively enacted and therefore is not included in these financial statements. It is currently not expected that this will have a material impact on the Company.

Staveley Industries Limited

Notes to Financial Statements
Year ended 31 December 2020

8 Investments	Investments in subsidiary undertakings £000
COST	
At 1 January 2020 and 31 December 2020	<u>7,499</u>
PROVISIONS	
At 1 January 2020 and 31 December 2020	<u>5,376</u>
NET BOOK VALUE	
At 31 December 2020 and 31 December 2019	<u><u>2,123</u></u>

The Company's subsidiary undertakings at 31 December 2020 are listed below. All shareholdings are owned directly by the Company and

Anfield 1 Limited	199,999 Ordinary shares of £1
Anfield 2 Limited	527,526 Deferred shares of £1
Embergrange	1,000 Ordinary shares of £1
Griffin SA Limited	1 Ordinary share of £1
Staveley 2005 No 3 Limited	2,575,680 Ordinary shares of £1
Staveley 2005 No 3 Limited	250,000 Ordinary shares of £1

For the companies Anfield 1 Limited and Anfield 2 Limited both are registered at Mazars LLP, 45 Church Street, Birmingham, B3 2RT. The remaining companies above are registered at 4 Longwalk Road, Stockley Park, Uxbridge UB11 1FE.

9 Debtors	2020 £000	2019 £000
Amounts due from fellow group undertakings	<u>1,902</u>	<u>1,994</u>
Amounts owed by fellow group companies bear no interest (2019: nil) and are repayable on demand.		

10 Creditors	2020 £000	2019 £000
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Amounts owed to fellow group undertakings	<u>3,258</u>	<u>3,258</u>
The amounts due to fellow group companies above are repayable on demand. No interest is charged.		

11 Called up share capital	2020 £000	2019 £000
Allotted, issued and fully paid 1 Ordinary Shares of £1 each	<u>-</u>	<u>-</u>

12 Ultimate parent company and controlling party

At the year end the company's ultimate parent company and ultimate controlling party was Coats Group plc, which is incorporated in the United Kingdom and registered in England and Wales. The immediate holding company of Staveley Industries Limited is Staveley Services Limited which is incorporated in the United Kingdom and registered in England and Wales. Coats Group plc is the only company in the group that produces consolidated financial statements. Copies of Coats Group plc's accounts may be obtained from The Secretary, 4 Longwalk Road, Stockley Park, Uxbridge, UB11 1FE.

13 Post Balance Sheet Events

There are no significant post balance sheet events.