

Registered No: 93416

Coats Statutory Company No: 133

AMENDED

I.P. CLARKE & CO. LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

FRIDAY



LFACR4FW

L12

31/10/2008

7

COMPANIES HOUSE

DIRECTORS' REPORT

**REVISED DIRECTORS'
REPORT AND FINANCIAL
STATEMENTS**

These revised directors' report and financial statements replace the original directors' report and financial statements for the year ended 31 December 2007 which were approved by the Directors on 19 March 2008. They are now the statutory financial statements of the company for that financial year. They have been prepared as at the date of the original directors' report and financial statements, and not as at the date of the revision, and accordingly do not deal with events between those dates.

The original financial statements did not comply with the requirements of the Companies Act 1985 ("the Act") due to investments being understated in the Balance Sheet and in Note 5 by £372,379,000 and creditors falling due after more than one year being understated in the Balance Sheet and in Note 7 by the same amount. There is no effect on the profit and loss for the year ended 31 December 2007 or net assets at 31 December 2007. The Act requires that where revised financial statements are issued, a revised auditors' report is issued and this is attached.

There have been no significant amendments made consequential upon the remedying of these defects.

PRINCIPAL ACTIVITIES

The company's principal activity during the year was that of an investment holding company.

BUSINESS REVIEW

Results for the year are shown in the profit and loss account on page 7. The balance sheet of the company is shown on page 8.

The directors do not recommend the payment of a final dividend on the ordinary shares (2006 nil).

No changes in the business are expected in the foreseeable future.

**POST BALANCE SHEET
EVENTS**

Subsequent to the year end, the Company sold its investments in Coats Treasury Investments Limited which had a carrying value of £372,379,000 to Guinness Peat Group Plc, the Company's ultimate parent undertaking. No profit or loss arose on this disposal.

DIRECTORS' REPORT (Continued)

**PRINCIPAL RISKS AND
UNCERTAINTIES**

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the Coats plc group and are not managed separately. Accordingly, the principal risks and uncertainties of Coats plc, which include those of the company, are discussed in Coats plc's annual report which does not form part of this report.

DIRECTORS

The following persons served as directors of the Company throughout the year:

R Bevan
M J Smithyman

SECRETARY

At the date of this report, the company secretary is Coats Patons Limited.

**FINANCIAL RISK
MANAGEMENT**

The company's treasury policy is determined by the Board of Directors of Coats plc who govern the management of financial risks within the Coats plc group. In accordance with this policy, the financial risk exposures are actively monitored and the use of financial instruments, such as derivatives, is permitted. However, under the treasury policy, speculative transactions are not permitted.

LIQUIDITY RISK

The company is part of the Coats plc group of companies which actively maintains a mixture of long-term and short-term debt finance that is designed to ensure that the group has sufficient available funds for its operations.

INTEREST RATE RISK

The company has from time to time both interest bearing assets and interest bearing liabilities. Interest bearing assets and liabilities include certain balances due to and from group undertakings, which primarily earn and bear interest at floating rates. The company did not use interest rate derivatives during the year. However, the Coats plc group of companies may from time to time use interest rate derivatives to manage the group's exposure to interest rate fluctuations.

DIRECTORS' REPORT (Continued)**AUDITORS**

Elective resolutions to dispense with holding annual general meetings, the laying of accounts before the company in general meeting and the appointment of auditors annually are currently in force. The auditors, Deloitte & Touche LLP, will therefore be deemed to have been reappointed at the end of the period of 28 days beginning with the day on which copies of this report and accounts are sent to members unless a resolution is passed under section 393 of the Companies Act 1985 to the effect that their appointment is brought to an end.

**DIRECTORS'
RESPONSIBILITIES**

The directors are responsible for preparing 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). The financial statements are required by law to 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 estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, 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 proper accounting records that 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 1985. 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.

DIRECTORS' REPORT (Continued)

**DIRECTORS'
RESPONSIBILITIES (Continued)**

Under Section 245 of the Companies Act 1985, the directors have the authority to revise financial statements or a directors' report if they do not comply with the Act. The revised financial statements must be amended in accordance with the Companies (Revision of Defective Accounts and Reports) Regulations 1990 and in accordance therewith do not take account of events which have taken place after the date on which the original financial statements were approved. The Regulations require that the revised financial statements show a true and fair view as if they were prepared and approved by the directors as at the date of the original financial statements.

**DISCLOSURE OF
INFORMATION
TO AUDITORS**

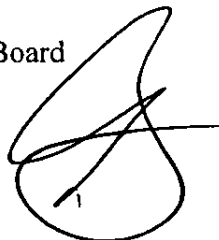
The Directors, in office at the date of this Report, have each confirmed that

- so far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and
- each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 234ZA of the Companies Act 1985.

By order of the Board

R Bevan
Director



3 | October 2008

Registered office
1 The Square
Stockley Park
Uxbridge
Middlesex
UB11 1TD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF I.P. CLARKE & CO. LIMITED

We have audited the revised financial statements of I.P. Clarke & Co Limited, which comprise the profit and loss account, the balance sheet and the related notes 1 to 12. These revised financial statements replace the original financial statements approved by the Directors on 19 March 2008. These revised financial statements have been prepared under the accounting policies set out therein and replace the original financial statements approved by the directors on 19 March 2008.

The revised financial statements have been prepared under the Companies (Revision of Defective Accounts and Report) Regulations 1990 and accordingly do not take account of events which have taken place after the date on which the original financial statements were approved.

This report is made solely to the Company's members, as a body, in accordance with the Companies (Revision of Defective Accounts and Report) Regulations 1990. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the revised financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the revised financial statements give a true and fair view in accordance with the relevant financial reporting framework and are properly prepared in accordance with the Companies Act 1985 as they have effect under the Companies (Revision of Defective Accounts and Report) Regulations 1990. We also report to you whether in our opinion the information given in the revised directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the revised directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

We are also required to report whether in our opinion the original financial statements failed to comply with the requirements of the Companies Act 1985 in the respects identified by the directors.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF I.P. CLARKE & CO. LIMITED (continued)

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

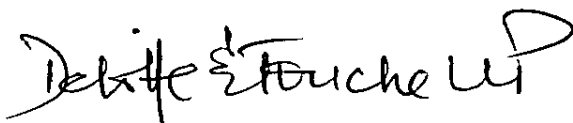
The audit of revised financial statements includes the performance of additional procedures to assess whether the revisions made by the directors are appropriate and have been properly made

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the revised financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, seen as at the date the original financial statements were approved, of the state of the company's affairs as at 31 December 2007 and of its profit result for the year then ended,
- the revised financial statements have been properly prepared in accordance with the Companies Act 1985 as they have effect under the Companies (Revision of defective Accounts and Report) Regulations 1990;
- the original financial statements for the year ended 31 December 2007 failed to comply with the requirements of the Companies Act 1985 in the respects identified by the directors in the statement contained in note 12 to these revised financial statements, and
- the information given in the revised Directors' Report is consistent with the revised financial statements



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London, United Kingdom
31 October 2008

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2007

	Notes	2007 £'000	2006 £'000
Profit on disposal of tangible fixed asset		-	400
Movements in provisions for investment in subsidiary undertakings		281,966	(372,379)
Movements in provisions for amounts owed to subsidiary undertakings		(281,966)	372,379
Profit on ordinary activities before taxation		-	400
Dividends	4	(400)	-
(Loss)/profit for the financial year transferred (from)/to reserves	9	(400)	400

All results derive solely from continuing operations

There are no recognised gains and losses other than those shown above and consequently no statement of recognised gains and losses has been presented.

The notes on page 10 to 14 form part of these accounts

BALANCE SHEET

At 31 December 2007

	Notes	2007 £'000	2006 £'000
FIXED ASSETS			
Investments	5	1,022,809	670,175
Debtors amounts falling due after more than one year	6	16,325	16,726
TOTAL ASSETS		1,039,134	686,901
Creditors amounts falling due after more than one year	7	(1,022,808)	(670,175)
NET ASSETS		16,326	16,726
CAPITAL AND RESERVES			
Share capital	8	100	100
Share premium account		11,336	11,336
Other capital reserves		4,890	4,890
Profit and loss account	9	-	400
TOTAL SHAREHOLDERS' FUNDS		16,326	16,726

Approved by the Board of Directors on 31 October 2008 and signed on their behalf



 R Bevan
 Director

The notes on pages 10 to 14 form part of these accounts

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Year ended 31 December 2007

	2007 £'000	2006 £'000
Profit for the financial year	-	400
Dividends paid	<u>(400)</u>	<u>-</u>
Net (decrease)/increase in shareholders' funds	(400)	400
Opening shareholders' funds	<u>16,726</u>	<u>16,326</u>
Closing shareholders' funds	<u>16,326</u>	<u>16,726</u>

The notes on pages 10 to 14 form part of these accounts

NOTES TO THE ACCOUNTS

Year ended 31 December 2007

1. STATEMENT OF ACCOUNTING POLICIES

Basis of Accounting	The financial accounts are prepared on the basis of historical cost and in accordance with applicable United Kingdom accounting standards
Investments	Fixed asset investments are stated at cost unless, in the opinion of the directors, there has been an impairment in value, in which case an appropriate provision is made
Taxation	<p>Coats Holdings Ltd has assumed the responsibility for discharging any liability for United Kingdom corporation tax, current or deferred, for accounting periods during which the Company remains a member of the Coats Group. The directors have received assurances that</p> <ul style="list-style-type: none">(i) there is no intention to revoke the undertaking to discharge the taxation liabilities of the Company for those periods, and(ii) full provision for deferred taxation has been made by Coats Holdings Ltd in respect of the Company
Cash flow statement and related party transactions	The company is a wholly owned subsidiary of Guinness Peat Group plc and is included in the consolidated financial statements of Guinness Peat Group plc which are publicly available. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions (but not balances) with entities with 90% or more voting rights controlled within the Guinness Peat Group or investees of the Guinness Peat Group.
Group accounts	Under the provisions of Section 228 of the Companies Act 1985 the company is exempt from the obligation to prepare and deliver group financial statements as it is included in the consolidated financial statements of Guinness Peat Group plc. Accordingly, these financial statements present information about the company as an individual entity and not as a group.

NOTES TO THE ACCOUNTS (continued)

Year ended 31 December 2007

2. DIRECTORS, EMPLOYEES AND AUDITORS' REMUNERATION

The directors received no remuneration for their services to the company (2006 £Nil) There were no other employees (2006 Nil) and consequently employee costs for the year were £Nil (2006 £Nil)

Auditors' remuneration for the audit of the Company's annual accounts of £5,000 (2006 £5,000) was borne by a fellow group company

3. TAX ON PROFITS ON ORDINARY ACTIVITIES

The standard rate of current tax for the year, based on UK standard rate of corporation tax, is 30% (2006 – 30%) The current tax charge for the year is lower than 30% for the reasons set out in the following reconciliation

	2007 £'000	2006 £'000
Profit on ordinary activities before taxation	-	400
Tax on profit on ordinary activities at standard rate	-	120
Adjusted for the effects of		
Expenses disallowed for tax purpose	84,590	-
Income not liable for tax	(84,590)	-
Non-taxable gain on sale of fixed assets	-	(120)
Current tax charge for the year	-	-

No charge to United Kingdom taxation has been provided in the results for the year Any United Kingdom corporation tax liability which may arise and is not eliminated by offset of double taxation relief or group relief, advance corporation tax, for neither of which payment will be made, will be discharged by Coats Holdings Ltd

4. DIVIDENDS

	2007 £'000	2006 £'000
Interim dividend of £4 per ordinary share (2006 nil)	400	-

NOTES TO THE ACCOUNTS (continued)

Year ended 31 December 2007

5. INVESTMENTS

	Shares in subsidiaries £'000	Loans to subsidiaries £'000	Total £'000
COST			
At 1 January 2007	1,036,481	209,257	1,245,738
Additions	90,413	-	90,413
Disposals	(19,804)	(25,716)	(45,520)
Foreign exchange	48	11	59
At 31 December 2007	1,107,138	183,552	1,290,690
PROVISIONS			
At 1 January 2007	(372,379)	(203,184)	(575,563)
Provided in the year	(90,413)	-	(90,413)
Released during the year	372,379	-	372,379
Disposals	-	25,716	25,716
At 31 December 2007	(90,413)	(177,468)	(267,881)
NET BOOK VALUE			
At 31 December 2007	1,016,725	6,084	1,022,809
At 31 December 2006	664,102	6,073	670,175

The Company acquired Coats Holdings Investments Limited during the year from J & P Coats Limited, a fellow group undertaking, for a consideration of £90,412,900

During the year the Company sold its investments in Coats (VH) Limited which had a carrying value of £1 to Guinness Peat Group Plc, the Company's ultimate parent undertaking. No profit or loss arose on this disposal.

Certain of the Company's investments in dormant group undertakings were dissolved during the year. No profit or loss arose on dissolution.

None of the Company's investments in subsidiary undertakings are principal subsidiary undertakings.

NOTES TO THE ACCOUNTS (continued)

Year ended 31 December 2007

	2007	2006
	£'000	£'000
6. DEBTORS: amounts falling due after more than one year		
Amounts owed by fellow group undertakings	16,325	16,726

	2007	2006
	£'000	£'000
7. CREDITORS: amounts falling due after more than one year		
Amounts owed to fellow group undertakings	1,022,808	670,175

The amounts owed to fellow group undertakings have no specified dates of repayment but are only repayable on receipt of twelve months' notice.

8. CALLED UP SHARE CAPITAL

	AUTHORISED		CALLED UP, ALLOTTED AND FULLY PAID	
	2007	2006	2007	2006
	£'000	£'000	£'000	£'000
SHARE CAPITAL				
100,000 Ordinary shares of £1 each	100	100	100	100

9. PROFIT AND LOSS ACCOUNT

	£'000
At 1 January 2007	400
Loss for the year	(400)
At 31 December 2007	-

10. CONTINGENT LIABILITIES

As at 31 December 2007, \$202.3m (2006: \$260.7m) of banking facilities of the company's intermediate parent company, Coats plc are secured on the assets of certain of its subsidiaries including I P Clarke & Co Limited. The security provided comprises both fixed and floating charges.

NOTES TO THE ACCOUNTS (continued)

Year ended 31 December 2007

11. ULTIMATE PARENT COMPANY

The company's ultimate parent company and controlling party is Guinness Peat Group plc, a company incorporated in Great Britain and registered in England and Wales. The consolidated accounts of Guinness Peat Group plc can be obtained from its registered office at First Floor, Times Place, 45 Pall Mall, London SW1Y 5GP

The company's immediate parent company is Coats Holdings Ltd, a company registered in England and Wales. The smallest group for which consolidated accounts are prepared is Coats plc, a company registered in England and Wales. Copies of its accounts are available from the company's registered office, 1 The Square, Stockley Park, Uxbridge, Middlesex UB11 1TD

12. NOTE ON REVISION TO ORIGINAL ACCOUNTS

The financial statements of I P Clarke & Co Limited for the year ended 31 December 2007 were approved on 19 March 2008 and were filed with Companies House in September 2008. The filed financial statements reflected the disposal of Coats Treasury Investments Limited to GPG in December 2007.

However, although the deed relating to the sale was dated 20 December 2007, the completion date as stated in the deed was 1 January 2008.

The financial statements for 2007 have therefore been revised to reinstate I P Clarke's investment in Coats Treasury Investment at 31 December 2007 to correct the understatement of investments in the Balance Sheet and in Note 5 by £372,379,000 and understatement of creditors falling due after more than one year in the Balance Sheet and in Note 7 by the same amount. There is no effect on the profit and loss for the year ended 31 December 2007 or net assets at 31 December 2007.