

Registered No: 93416

**I.P. CLARKE & CO. LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**



## **DIRECTORS' REPORT**

The directors present their report and accounts for the year ended 31 December 2015.

The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption and consequently no Strategic Report is presented.

## **PRINCIPAL ACTIVITIES**

The Company's principal activity during the year was that of an investment holding company. The Directors do not foresee a change in the Company's activities in the foreseeable future.

## **DIRECTORS**

The following persons served as directors of the Company throughout the year and to the date of this Report except as noted:

R Reade	(Appointed 8 January 2015)
T Saunt	(Resigned 8 January 2015)
Coats Patons Limited	

## **SECRETARY**

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

## **AUDITOR**

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 auditor, Deloitte 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 to the effect that their appointment is brought to an end.

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the annual report and 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 United Kingdom and 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.

**DIRECTORS' REPORT (Continued)**

**DIRECTORS' RESPONSIBILITIES (Continued)**

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.

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.

**DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the 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 auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

By order of the Board



Coats Patons Limited  
Director

19 August 2016

Registered office:

1 The Square  
Stockley Park  
Uxbridge  
Middlesex  
UB11 1TD

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF I.P. CLARKE & CO. LIMITED**

We have audited the financial statements of I.P. Clarke & Co. Limited for the year ended 31 December 2015 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

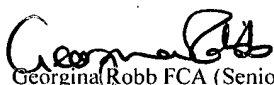
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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 exemption in preparing the Directors' Report or from the requirement to prepare a Strategic Report.



Georgina Robb FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom  
19 August 2016

**PROFIT AND LOSS ACCOUNT  
YEAR ENDED 31 DECEMBER 2015**

The Company has made neither a profit nor loss in the year or the preceding year and accordingly no profit and loss account is presented.

The notes on pages 8 to 13 form part of these accounts

**STATEMENT OF COMPREHENSIVE INCOME  
YEAR ENDED 31 DECEMBER 2015**

The Company has no 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.

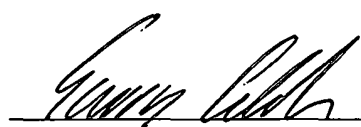
The notes on pages 8 to 13 form part of these accounts

**BALANCE SHEET**

At 31 December 2015

	Notes	2015 £'000	2014 £'000
<b>FIXED ASSETS</b>			
Investments	4	213,598	213,598
<b>TOTAL ASSETS</b>		<u>213,598</u>	<u>213,598</u>
<b>NON-CURRENT LIABILITIES</b>			
Creditors: amounts falling due after more than one year	5	(213,598)	(213,598)
<b>NET ASSETS</b>		<u>-</u>	<u>-</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	7	-	-
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>-</u>	<u>-</u>

The financial statements of I.P. Clarke & Co. Limited, registered number 93416, were approved by the Board of Directors and authorised for issue on 19 August 2016.

  
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 Coats Patons Limited  
 Director

The notes on pages 8 to 13 form part of these accounts.

**STATEMENT OF CHANGES IN EQUITY  
YEAR ENDED 31 DECEMBER 2015**

	<b>Share capital £'000</b>	<b>Profit and loss account £'000</b>	<b>Total £'000</b>
<b>At 1 January 2014</b>	-	-	-
Profit for the year	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-
<b>At 31 December 2014</b>	-	-	-
Profit for the year	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-
<b>At 31 December 2015</b>	-	-	-

The notes on pages 8 to 13 form part of these accounts



**NOTES TO THE ACCOUNTS  
YEAR ENDED 31 DECEMBER 2015****1. STATEMENT OF ACCOUNTING POLICIES****General information and basis of accounting**

I.P. Clarke & Co. Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 2. The nature of the Company's operations and its principal activities are set out in the Directors' 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.

This is the first year that the Company has presented its financial statements under FRS 102. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014.

No accounting policies were changed as a consequence of adopting FRS 102 and no adjustments were required to the prior year financial statements on adoption of FRS 102 in the current year.

I.P. Clarke & Co. 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. I.P. Clarke & Co. 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 10. 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.

**Going concern basis**

The accounts have been prepared on the going concern basis as the directors have, after making enquiries, a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future.

**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.

**NOTES TO THE ACCOUNTS (Continued)**  
**YEAR ENDED 31 DECEMBER 2015****1. STATEMENT OF ACCOUNTING POLICIES (Continued)****Taxation**

Current tax 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 balance sheet date.

Deferred taxation is recognised on a full provision basis on timing differences that result in an obligation at the balance sheet date to pay more tax or a right to pay less tax at a future date, at rates expected to apply when they crystallise based on current tax rates and law, and is not discounted.

**Group accounts**

Under the provisions of Section 400 of the Companies Act 2006 the Company is exempt from the obligation to prepare and deliver group financial statements as it is included in the consolidated financial statements of Coats Group plc. Accordingly, these financial statements present information about the Company as an individual entity and not as a group.

**Foreign currencies**

Transactions denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rate of exchange ruling at the balance sheet date. Exchange gains or losses are included in the profit and loss account.

**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.

***Impairment of assets***

Assets including investments in subsidiary undertakings and loans to 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.

**NOTES TO THE ACCOUNTS (Continued)**  
**YEAR ENDED 31 DECEMBER 2015**

**3. DIRECTORS, EMPLOYEES AND AUDITOR'S REMUNERATION**

The directors received no remuneration for their services to the Company (2014: nil). There were no other employees (2014: none) and consequently employee costs for the year were nil (2014: nil).

Auditor's remuneration for the audit of the Company's annual accounts of £4,000 (2014: £4,000) was borne by a fellow group company.

**4. INVESTMENTS**

	Shares in subsidiaries £'000	Loans to subsidiaries £'000	Total £'000
<b>COST</b>			
At 1 January 2015 and 31 December 2015	<u>298,131</u>	<u>152,058</u>	<u>450,189</u>
<b>PROVISIONS</b>			
At 1 January 2015 and 31 December 2015	<u>(90,413)</u>	<u>(146,178)</u>	<u>(236,591)</u>
<b>NET BOOK VALUE</b>			
At 31 December 2014 and at 31 December 2015	<u>207,718</u>	<u>5,880</u>	<u>213,598</u>

Subsidiary undertakings are listed in note 9.

During the year ended 31 December 2014, the Company dissolved certain dormant subsidiary undertakings with no profit or loss arising.

	2015 £'000	2014 £'000
<b>5. CREDITORS: amounts falling due after more than one year</b>		
Amounts owed to fellow group undertakings	<u>213,598</u>	<u>213,598</u>

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

**6. DEFERRED TAXATION**

At 31 December 2015 the Company had an unrecognised deferred tax asset at 18% (2014: 20%) in respect of capital losses of £627,000 (2014: £696,000). The deferred tax asset is not recognised due to the unpredictability of future capital profit streams.

**NOTES TO THE ACCOUNTS (Continued)**  
**YEAR ENDED 31 DECEMBER 2015**

**7. SHARE CAPITAL**

	<b>AUTHORISED</b>		<b>CALLED UP, ALLOTTED AND FULLY PAID</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>SHARE CAPITAL</b>				
100 (2014: 100) Ordinary shares of £1 each	<b>==</b>	<b>==</b>	<b>==</b>	<b>==</b>

**8. CONTINGENT LIABILITIES**

The Company's ultimate holding company, Coats Group plc received correspondence in April 2013 from the UK Pensions Regulator ("tPR") explaining that tPR is undertaking an investigation into whether financial support should be provided to the Coats Pension Plan (the "Coats Plan") by Coats Group plc or by one or more entities connected or associated with the Plan's respective sponsoring employers under the provisions of the Pensions Act 2004.

In December 2014 Coats Group plc, GPG (UK) Holdings plc and Coats plc received a Warning Notice ('WN') from tPR in relation to the Coats Plan. The WN explains that tPR's case team is of the view that each of the three sponsoring employers of the Coats Plan was insufficiently resourced at the relevant date (31 December 2012), which is a prerequisite for it to use its statutory powers. Further, the case team considers it is reasonable for the Determinations Panel ('DP') of tPR to issue a Financial Support Direction ('FSD') in relation to the Coats Plan. This could result in Coats Group plc, GPG (UK) Holdings plc and/or Coats plc being required to put in place financial support for the Coats Plan.

Settlement discussions continue with the Trustee of the Coats Plan as well as the Trustees of the Group's two other UK schemes, which also form part of tPR's investigation (Brunel and Staveley). These discussions have been constructive and progress is being made. Agreement to any settlement will also be required from tPR. To that end Coats Group plc is not only actively engaging with the Trustees but also now with tPR.

As part of the discussions Coats Group plc has committed to all parties to retain the entire parent group cash balance (at 31 December 2015: \$505 million (£342 million)) within the Group to support the schemes and not return this cash to shareholders. The cash balance is the proceeds generated from Guinness Peat Group's ('GPG's'), as the Company was known at the time, asset realisation programme between 2011-2013 when it sold its share in approximately 50 businesses leaving Coats plc as the only remaining operating business. GPG's Directors had envisaged returning the proceeds of the programme to shareholders, and distributions were made in the form of capital returns and share buybacks between 2011 and the first quarter of 2013. However, GPG's Directors decided to stop returns in the second quarter of 2013 when tPR began its investigations, initially into the Coats Plan and Brunel scheme in April 2013 and then later that year into the Staveley scheme.

Coats Group plc's commitment to retain the entire parent group cash balance within the Group, and any settlement agreement, is based on a number of principles and conditions. These include tPR withdrawing the Warning Notices on the schemes, thereby ending the investigations, and for Coats Group plc to have the ability to commence the payment of normal course dividends to its shareholders and have sufficient cash to invest in growth opportunities.

**NOTES TO THE ACCOUNTS (Continued)**  
**YEAR ENDED 31 DECEMBER 2015**

**8. CONTINGENT LIABILITIES (Continued)**

At this stage the level of annual deficit recovery payments to meet any Technical Provisions deficit remaining, after the support provided by the parent group cash, is not certain. If a settlement cannot be reached and the investigation process continues, the Group believes any hearing is unlikely before the fourth quarter of 2016 at the earliest.

**9. SUBSIDIARY UNDERTAKINGS**

The company's subsidiary undertakings at 31 December 2015 were as follows:

**Dormant Companies**

<b>Name</b>	<b>Country of Incorporation</b>
Allen, Solly & Company Limited	Great Britain
Barbour Threads Limited	Great Britain
C.V. Woven Fabrics Limited	Great Britain
Chain Insurance Company Limited	Great Britain
Coats Holdings (No.1) Limited	Great Britain
Coats Holdings (No.2) Limited	Great Britain
Coats Holdings Investments Limited	Great Britain
Coats Pensions Trustee Limited	Great Britain
Coats Shelfco (BDA) Limited	Great Britain
Coats Shelfco (CVG) Limited	Great Britain
Coats Shelfco (HL) Limited	Great Britain
Coats Shelfco (VL) Limited	Great Britain
Coats Shelfco (VV) Limited	Great Britain
Coats Shelfco (WMB) Limited	Great Britain
Coats Shelfco Precision Limited	Great Britain
Corah Limited	Great Britain
D. Byford & Co Limited	Great Britain
Hicking Pentecost Limited	Great Britain
John Murgatroyd Limited	Great Britain
Needle Industries Limited	Great Britain
Pasolds Limited	Great Britain
Patons & Baldwins Limited	Great Britain
Patons Limited	Great Britain
Simpson, Wright & Lowe Limited	Great Britain
Sir Richard Arkwright & Co. Limited	Great Britain
The Central Agency Limited	Great Britain
The Coats Trustee Company Limited	Great Britain
The International Thread Company Limited	Great Britain
Thomas Burnley & Sons, Limited	Great Britain
Tootal Clothing Limited	Great Britain
Tootal Group Limited	Great Britain
Tootal Limited	Great Britain

All companies are directly owned 100% subsidiaries of I.P. Clarke & Co. Limited.

**NOTES TO THE ACCOUNTS (Continued)**  
**YEAR ENDED 31 DECEMBER 2015****10. ULTIMATE PARENT COMPANY**

The Company's ultimate parent company and controlling party is Coats Group plc, a company incorporated in Great Britain and registered in England and Wales. The smallest and largest group for which consolidated accounts are prepared is Coats Group plc. The consolidated accounts of Coats Group plc can be obtained from its registered office at 1 The Square, Stockley Park, Uxbridge, Middlesex UB11 1TD.

The Company's immediate parent company is Coats Holdings Ltd, a company registered in England and Wales.