

Registered No: 93416

I.P. CLARKE & CO. LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016



DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 2016.

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
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 Directors' 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 STATEMENT (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.

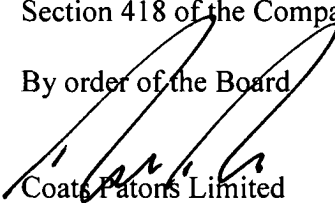
DISCLOSURE OF INFORMATION TO AUDITOR

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

Sha May
28 April 2017

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 2016 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 2016 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, 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF I.P.CLARKE & CO. LIMITED (CONTINUED)

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.



Timothy Biggs FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

5 April 2017

PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £'000	2015 £'000
Dividend income from investments in subsidiary undertakings		34,808	-
Provisions against investments in subsidiary undertakings	5	(34,808)	-
Profit before taxation		-	-
Taxation on profit		-	-
Profit for the financial year		-	-

The notes on pages 9 to 13 form part of these accounts

**STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2016**

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.

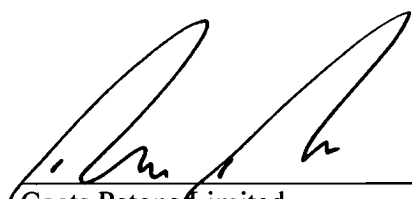
The notes on pages 9 to 13 form part of these accounts

BALANCE SHEET
 At 31 December 2016

	Notes	2016 £'000	2015 £'000
FIXED ASSETS			
Investments	5	199,547	213,598
TOTAL ASSETS		<u>199,547</u>	<u>213,598</u>
NON-CURRENT LIABILITIES			
Creditors: amounts falling due after more than one year	6	(199,547)	(213,598)
NET ASSETS		<u><u>-</u></u>	<u><u>-</u></u>
CAPITAL AND RESERVES			
Share capital	8	-	-
TOTAL SHAREHOLDERS' FUNDS		<u><u>-</u></u>	<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 ~~28 April~~ 5th May 2017.

5th May
APR



 Coats Patons Limited
 Director

The notes on pages 8 to 12 form part of these accounts.

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2016

	Share capital £'000	Profit and loss account £'000	Total £'000
At 1 January 2015	-	-	-
Profit for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2015	-	-	-
Profit for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2016	-	-	-
	<hr/>	<hr/>	<hr/>

The notes on pages 9 to 13 form part of these accounts

**NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2016****1. STATEMENT OF ACCOUNTING POLICIES****General information and basis of accounting**

I.P. Clarke & Co. Limited is a private company limited by shares, and 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.

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.

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.

NOTES TO THE ACCOUNTS (Continued)
YEAR ENDED 31 DECEMBER 2016

1. STATEMENT OF ACCOUNTING POLICIES (Continued)

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.

3. DIRECTORS, EMPLOYEES AND AUDITOR'S REMUNERATION

The directors received no remuneration for their services to the Company (2015: nil). There were no other employees (2015: none) and consequently employee costs for the year were nil (2015: nil).

Auditor's remuneration for the audit of the Company's annual accounts of £4,000 (2015: £4,000) was borne by a fellow group company.

NOTES TO THE ACCOUNTS (Continued)
YEAR ENDED 31 DECEMBER 2016

4. TAX ON PROFIT

The standard rate of current tax for the year, based on UK standard rate of corporation tax, is 20% (2015: 20.25%). The current tax charge for the year is set out in the following reconciliation:

	2016 £'000	2015 £'000
Profit before tax	=====	=====
Tax on profit at standard rate	-	-
Adjusted for the effects of:		
Non-taxable income	(6,962)	-
Non-deductible expenses	<u>6,962</u>	<u>-</u>
Current tax charge for the year	=====	=====

No charge to United Kingdom taxation has been provided in the results for the current and preceding year. With effect from 6 September 2016, Finance Act 2016 was substantively enacted to reduce the UK corporation tax rate to 17% as follows:

Year to 31 March	2017	2018	2019	2020	2021
Corporation Tax Rate	20%	19%	19%	19%	17%

5. INVESTMENTS

	Shares in subsidiaries £'000	Loans to subsidiaries £'000	Total £'000
COST			
At 1 January 2016	298,131	152,058	450,189
Additions	<u>20,757</u>	<u>-</u>	<u>20,757</u>
At 31 December 2016	<u>318,888</u>	<u>152,058</u>	<u>470,946</u>
PROVISIONS			
At 1 January 2016	(90,413)	(146,178)	(236,591)
Charge for the year	<u>(34,808)</u>	<u>-</u>	<u>(34,808)</u>
At 31 December 2016	<u>(125,221)</u>	<u>(146,178)</u>	<u>(271,399)</u>
NET BOOK VALUE			
At 31 December 2016	<u>193,667</u>	<u>5,880</u>	<u>199,547</u>
At 31 December 2015	<u>207,718</u>	<u>5,880</u>	<u>213,598</u>

During the year the Company received dividend income from its subsidiary undertakings of £34,808,000. Following these receipts, impairment charges were recognised of the same amounts to reduce the carrying value of investments to their net asset value. Subsidiary undertakings are listed in note 9.

NOTES TO THE ACCOUNTS (Continued)
YEAR ENDED 31 DECEMBER 2016

	2016 £'000	2015 £'000
6. CREDITORS: amounts falling due after more than one year		
Amounts owed to fellow group undertakings	<u>199,547</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.

7. DEFERRED TAXATION

At 31 December 2016 the Company had an unrecognised deferred tax asset at 17% (2015: 18%) in respect of capital losses of £592,000 (2015: £627,000). The deferred tax asset is not recognised due to the unpredictability of future capital profit streams.

8. SHARE CAPITAL

	AUTHORISED		CALLED UP, ALLOTTED AND FULLY PAID	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
SHARE CAPITAL				
100 (2015: 100) Ordinary shares of £1 each	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

9. SUBSIDIARY UNDERTAKINGS

The company's subsidiary undertakings at 31 December 2016 were as follows:

Dormant Companies

Name	Country of Incorporation
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

NOTES TO THE ACCOUNTS (Continued)
YEAR ENDED 31 DECEMBER 2016

9. SUBSIDIARY UNDERTAKINGS (Continued)

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.

The registered office address of all companies listed above is 1 The Square, Stockley Park, Uxbridge, Middlesex UB11 1TD except for Barbour Threads Limited, Pasolds Limited and The Central Agency Limited whose registered office address is Cornerstone, 107 West Regent Street, Glasgow G2 2BA.

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.