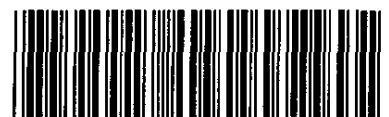


Registered No: 93416

I.P. CLARKE & CO. LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

WEDNESDAY



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COMPANIES HOUSE

DIRECTORS' REPORT

The directors present their report and audited accounts for the year ended 31 December 2019.

The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

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.

RESULTS AND DIVIDEND

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. No interim or final dividend was paid during the year (2018: £nil).

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 (resigned 27 September 2019)
C Thompson
W K Chiang (appointed 27 September 2019)
J Gunningham (appointed 27 September 2019)

SECRETARY

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

AUDITOR

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.

GOING CONCERN

The Directors have made enquiries into the adequacy of both the Company and Coats Group plc'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 Coats Group plc's response to COVID-19, the current balance sheet position and available liquidity, the principal and emerging risks which could impact the performance of Coats Group plc and compliance with borrowing covenants. Further disclosure on the impact and response to COVID-19 is available in the Coats Group plc 2020 half yearly report. The Company's and the Coats Group plc's forecasts and projections take account of reasonably possible changes in trading performance.

DIRECTORS' REPORT (Continued)

GOING CONCERN (continued)

Giving due consideration to the financial resources available to the Company and Coats Group plc, the Directors believe it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

FINANCIAL RISK MANAGEMENT

The Coats Group plc group's treasury policy, which is determined by the Board of Directors of Coats Group plc, governs the management of financial risks within the Coats Group 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.

POST BALANCE SHEET EVENTS

On 11 March 2020, COVID-19 was declared a pandemic by the World Health Organisation. The Company's activities are not expected to be materially impacted by this.

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.

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.

DIRECTORS' REPORT (Continued)

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



J Gunningham
Director

14 August 2020

Registered office:
4 Longwalk Road
Stockley Park
Uxbridge
Middlesex
UB11 1FE

I.P. CLARKE & CO. LIMITED

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of I.P. Clarke & Co. Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 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 10.

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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

I.P. CLARKE & CO. LIMITED

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

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.

I.P. CLARKE & CO. LIMITED

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

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

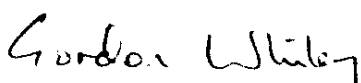
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.
- 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.

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

14 August 2020

**PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2019**

| | 2019 £'000 | 2018 £'000 |
|--|-----------------------|-----------------------|
| Income from shares in group undertakings | - | - |
| Amounts written off on investments | - | - |
| Result before taxation | - | - |
| Tax on result | - | - |
| Result for the financial year | - | - |

The notes on pages 10 to 15 form part of these accounts.

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.

BALANCE SHEET
 At 31 December 2019

| | Notes | 2019 £'000 | 2018 £'000 |
|----------------------------------|-------|----------------|----------------|
| FIXED ASSETS | | | |
| Investments | 4 | 198,687 | 198,687 |
| TOTAL ASSETS | | <u>198,687</u> | <u>198,687</u> |
| NON-CURRENT LIABILITIES | | | |
| Creditors | 5 | (198,687) | (198,687) |
| NET ASSETS | | <u>-</u> | <u>-</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 7 | - | - |
| Profit and loss account | | - | - |
| TOTAL SHAREHOLDERS' FUNDS | | <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 14 August 2020.



J Gunningham
Director

The notes on pages 10 to 15 form part of these accounts.

**STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2019**

| | Share capital £'000 | Profit and loss account £'000 | Total £'000 |
|--|------------------------------------|--|------------------------|
| At 1 January 2018 | | | |
| Result for the year | - | - | - |
| Total comprehensive result for the year | - | - | - |
| At 31 December 2018 | - | - | - |
| Result for the year | - | - | - |
| Total comprehensive result for the year | - | - | - |
| At 31 December 2019 | - | - | - |

The notes on pages 10 to 15 form part of these accounts.

**NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2019****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.

General information and basis of accounting

I.P. Clarke & Co. Limited is a private company, limited by shares, registered in England and Wales and incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 3. 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. The financial statements are prepared and presented in GBP as it is its functional currency.

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 9. 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 Directors have made enquiries into the adequacy of both the Company and Coats Group plc'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 Coats Group plc's response to COVID-19, the current balance sheet position and available liquidity, the principal and emerging risks which could impact the performance of Coats Group plc and compliance with borrowing covenants. Further disclosure on the impact and response to COVID-19 is available in the Coats Group plc 2020 half yearly report. The Company's and the Coats Group plc'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 Coats Group plc, the Directors believe it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

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 2019

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.

Financial instruments

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. Dividend income is recognised in the profit and loss account when it is declared. Interest income is recognised in the profit and loss account on an accruals basis.

NOTES TO THE ACCOUNTS (Continued)
YEAR ENDED 31 DECEMBER 2019**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.

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

NOTES TO THE ACCOUNTS (Continued)
YEAR ENDED 31 DECEMBER 2019

3. DIRECTORS, EMPLOYEES AND AUDITOR'S REMUNERATION

The directors received no remuneration for their services to the Company (2018: nil). There were no other employees (2018: none) and consequently employee costs for the year were nil (2018: nil). Auditor's remuneration for the audit of the Company's annual accounts of £2,507 (2018: £4,000) was borne by a fellow group company.

4. INVESTMENTS

| | Shares in subsidiaries £'000 | Loans to subsidiaries £'000 | Total £'000 |
|----------------------------|------------------------------------|-----------------------------------|------------------|
| COST | | | |
| At 1 January 2019 | 192,807 | 126,198 | 319,005 |
| Disposals | - | - | - |
| At 31 December 2019 | 192,807 | 126,198 | 319,005 |
| PROVISIONS | | | |
| At 1 January 2019 | - | (120,318) | (120,318) |
| Disposals | - | - | - |
| At 31 December 2019 | - | (120,318) | (120,318) |
| NET BOOK VALUE | | | |
| At 31 December 2019 | 192,807 | 5,880 | 198,687 |
| At 31 December 2018 | 192,807 | 5,880 | 198,687 |

Subsidiary undertakings and disposals during and after the year-end are listed and set out in note 8.

NOTES TO THE ACCOUNTS (Continued)
YEAR ENDED 31 DECEMBER 2019

| | 2019 | 2018 |
|---|-----------------------|-----------------------|
| | £'000 | £'000 |
| 5. CREDITORS | | |
| Amounts owed to fellow group undertakings | <u>198,687</u> | <u>198,687</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 2019 the Company had an unrecognised deferred tax asset at 19% (2018: 17%) in respect of capital losses of £662,000 (2018: £592,000). The deferred tax asset is not recognised due to the unpredictability of future capital profit streams.

7. CALLED UP SHARE CAPITAL

| | CALLED UP, ALLOTTED AND FULLY PAID | |
|---|---|-----------------|
| | 2019 | 2018 |
| | £'000 | £'000 |
| 100 (2018: 100) Ordinary shares of £1 each | <u>-</u> | <u>-</u> |

NOTES TO THE ACCOUNTS (Continued)
YEAR ENDED 31 DECEMBER 2019

8. SUBSIDIARY UNDERTAKINGS

The company's subsidiary undertakings at 31 December 2019 were as follows:

Dormant Companies

| Name | Country of Incorporation |
|--------------------------------------|---------------------------------|
| Barbour Threads Limited | United Kingdom |
| Coats Holding Company (No.1) Limited | United Kingdom |
| Coats Holding Company (No.2) Limited | United Kingdom |
| Coats Pensions Trustee Limited | United Kingdom |
| Coats Shelfco (BDA) Limited | United Kingdom |
| Coats Shelfco (VV) Limited | United Kingdom |
| Corah Limited | United Kingdom |
| D. Byford & Co Limited | United Kingdom |
| Hicking Pentecost Limited | United Kingdom |
| Needle Industries Limited | United Kingdom |
| Patons & Baldwins Limited | United Kingdom |
| Patons Limited | United Kingdom |
| Simpson, Wright & Lowe Limited | United Kingdom |
| Sir Richard Arkwright & Co. Limited | United Kingdom |
| The Central Agency Limited | United Kingdom |
| The Coats Trustee Company Limited | United Kingdom |
| Thomas Burnley & Sons, Limited | United Kingdom |
| Tootal Group Limited | United Kingdom |
| Tootal Limited | United Kingdom |

All companies are directly owned 100% subsidiaries of I.P. Clarke & Co. Limited through ownership of ordinary share capital.

The registered office address of all companies listed above is 4 Longwalk Road, Stockley Park, Uxbridge, Middlesex UB11 1FE except for Barbour Threads Limited and The Central Agency Limited whose registered office address is Cornerstone, 107 West Regent Street, Glasgow G2 2BA.

9. ULTIMATE PARENT COMPANY

The Company's ultimate parent company and controlling party is Coats Group plc, a company incorporated in the United Kingdom 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 4 Longwalk Road, Stockley Park, Uxbridge, Middlesex UB11 1FE.

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

10. POST BALANCE SHEET EVENTS

On 11 March 2020, COVID-19 was declared a pandemic by the World Health Organisation. The Company's activities are not expected to be materially impacted by this.