

Registered No: 93416

**I.P. CLARKE & CO. LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**



## **DIRECTORS' REPORT**

The directors present their report and accounts for the year ended 31 December 2017.

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  
C Thompson (appointed 14 August 2017)

## **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 accounts have been prepared on a 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.

## **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**

After the year end, the company disposed of its investments in Allen, Solly & Company Limited, C.V. Woven Fabrics Limited, John Murgatroyd Limited and Coats Shelfco (WMB) Limited. These were all held at £nil net book value at 31 December 2017 and no profit or loss arose on disposal.

**DIRECTORS' REPORT (Continued)**

**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.

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.

**DIRECTORS' REPORT (Continued)**

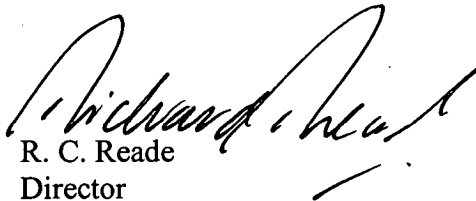
**DISCLOSURE OF INFORMATION TO AUDITOR**

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



R. C. Reade  
Director

6<sup>th</sup> September 2018

Registered office:

1 The Square  
Stockley Park  
Uxbridge  
Middlesex  
UB11 1TD

**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:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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 of I.P. Clarke & Co. Limited (the 'company') 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, 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 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 Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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)****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.

**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.

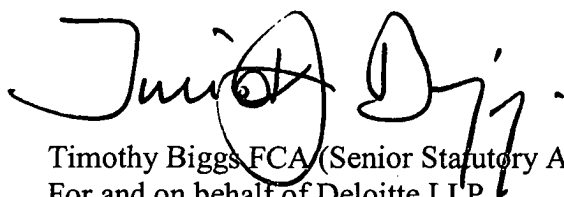
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

**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.

We have nothing to report in respect of these matters.



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

11 September 2018

**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2017**

	Notes	<b>2017</b> <b>£'000</b>	<b>2016</b> <b>£'000</b>
Dividend income from investments in subsidiary undertakings		860	34,808
Provisions against investments in subsidiary undertakings	5	(860)	(34,808)
<b>Result before taxation</b>		-	-
Taxation on result		-	-
<b>Result for the financial year</b>		-	-

The notes on pages 11 to 16 form part of these accounts



**STATEMENT OF COMPREHENSIVE INCOME  
YEAR ENDED 31 DECEMBER 2017**

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.

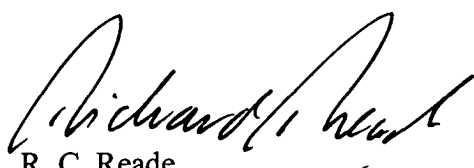
The notes on pages 11 to 16 form part of these accounts

**BALANCE SHEET**

At 31 December 2017

	Notes	2017 £'000	2016 £'000
<b>FIXED ASSETS</b>			
Investments	5	198,687	199,547
<b>TOTAL ASSETS</b>		<u>198,687</u>	<u>199,547</u>
<b>NON-CURRENT LIABILITIES</b>			
Creditors	6	(198,687)	(199,547)
<b>NET ASSETS</b>		<u>-</u>	<u>-</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	8	-	-
Profit and Loss account		-	-
<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 6<sup>th</sup> September 2018.



R. C. Reade  
Director

The notes on pages 11 to 16 form part of these accounts.

**STATEMENT OF CHANGES IN EQUITY  
YEAR ENDED 31 DECEMBER 2017**

	<b>Share capital £'000</b>	<b>Profit and loss account £'000</b>	<b>Total £'000</b>
<b>At 1 January 2016</b>			
Result for the year	-	-	-
<b>Total comprehensive result for the year</b>	-	-	-
<b>At 31 December 2016</b>			
Result for the year	-	-	-
<b>Total comprehensive result for the year</b>	-	-	-
<b>At 31 December 2017</b>	-	-	-

The notes on pages 11 to 16 form part of these accounts

**NOTES TO THE ACCOUNTS  
YEAR ENDED 31 DECEMBER 2017****1. STATEMENT OF ACCOUNTING POLICIES****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.

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 2017****1. STATEMENT OF ACCOUNTING POLICIES (Continued)****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.

**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.

**NOTES TO THE ACCOUNTS (Continued)****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 (2016: nil). There were no other employees (2016: none) and consequently employee costs for the year were nil (2016: nil). Auditor's remuneration for the audit of the Company's annual accounts of £4,000 (2016: £4,000) was borne by a fellow group company.

**4. TAX ON PROFIT**

The standard rate of current tax for the year, based on UK standard rate of corporation tax, is 19.25% (2016: 20.25%). The current tax expense for the year is set out in the following reconciliation:

	2017 £'000	2016 £'000
Result before tax	—	—
Tax on profit at standard rate	-	-
Adjusted for the effects of:		
Non-taxable income	(166)	(6,962)
Non-deductible expenses	<u>166</u>	<u>6,962</u>
Current tax expense for the year	—	—

No expense to United Kingdom taxation has been provided in the results for the current and preceding year. With effect from 6 September 2017, Finance Act 2017 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%

**NOTES TO THE ACCOUNTS (Continued)**  
**YEAR ENDED 31 DECEMBER 2017**

**5. INVESTMENTS**

	Shares in subsidiaries £'000	Loans to subsidiaries £'000	Total £'000
<b>COST</b>			
At 1 January 2017	318,888	152,058	470,946
Additions/(repayments)	23,265	(23,265)	-
Disposals	(125,221)	(2,595)	(127,816)
<b>At 31 December 2017</b>	<b>216,932</b>	<b>126,198</b>	<b>343,130</b>
<b>PROVISIONS</b>			
At 1 January 2017	(125,221)	(146,178)	(271,399)
(Expense)/Credit for the year	(24,125)	23,265	(860)
Disposals	125,221	2,595	127,816
<b>At 31 December 2017</b>	<b>(24,125)</b>	<b>(120,318)</b>	<b>(144,443)</b>
<b>NET BOOK VALUE</b>			
<b>At 31 December 2017</b>	<b>192,807</b>	<b>5,880</b>	<b>198,687</b>
At 31 December 2016	193,667	5,880	199,547

During the year the company received dividend income of £860,000. Following these receipts impairment charges were recognized of the same amount to reduce the carrying value of investments to their net asset value. Subsidiary undertakings and disposals during and after the year end are listed and noted in note 9.

	2017 £'000	2016 £'000
<b>6. CREDITORS</b>		
Amounts owed to fellow group undertakings	<b>198,687</b>	199,547

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 2017 the Company had an unrecognised deferred tax asset at 17% (2016: 17%) in respect of capital losses of £592,000 (2016: £592,000). 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 2017**

**8. SHARE CAPITAL**

	<b>AUTHORISED</b>		<b>CALLED UP, ALLOTTED AND FULLY PAID</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>SHARE CAPITAL</b>				
100 (2016: 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 2017 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
Coats Holding Company (No.1) Limited	Great Britain
Coats Holding Company (No.2) Limited	Great Britain
Coats Pensions Trustee Limited	Great Britain
Coats Shelfco (BDA) Limited	Great Britain
Coats Shelfco (CVG) Limited	Great Britain
Coats Shelfco (VV) Limited	Great Britain
Coats Shelfco (WMB) 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
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
Thomas Burnley & Sons, 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 2017**

**9. SUBSIDIARY UNDERTAKINGS (Continued)**

During the year, the company disposed of its investments in Chain Insurance Company Limited, Coats Holdings Investments Limited, Coats Shelfco (HL) Limited, Coats Shelfco (VL) Limited, Coats Shelfco Precision Limited, Pasolds Limited, The International Thread Company Limited and Tootal Clothing Company Limited.

After the year end, the company disposed of its investments in Allen, Solly & Company Limited, C.V. Woven Fabrics Limited, John Murgatroyd Limited and Coats Shelfco (WMB) Limited. These were all held at £nil net book value at 31 December 2017 and no profit or loss arose on disposal.

The registered office address of all companies listed above is 1 The Square, Stockley Park, Uxbridge, Middlesex UB11 1TD except for Barbour Threads 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.