

Courtaulds Textiles (Holdings) Limited

Annual report and financial statements

For the year ended 31 December 2018

Registered number: 01753996



Courtaulds Textiles (Holdings) Limited

Annual report and financial statements

For the year ended 31 December 2018

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Courtaulds Textiles (Holdings) Limited

Company information

Directors	J.R. Cook
	D.P.G. Jones
Company Secretary	Throgmorton Secretaries LLP 4 th Floor, Reading Bridge House George Street Reading Berkshire, RG1 8LS S. Pashley
Company registration number	01753996
Country of incorporation	England and Wales
Company type	Private limited
Registered office	Horizon, Honey Lane Hurley, Maidenhead Berkshire, SL6 6RJ
Auditor	Deloitte LLP Statutory Auditor St Albans, United Kingdom
Bankers	Lloyds Bank
Incorporated	19 September 1983

Courtaulds Textiles (Holdings) Limited

Strategic report

For the year ended 31 December 2018

The directors present their strategic report on Courtaulds Textiles (Holdings) Limited for the year ended 31 December 2018.

Review of the business

The Company's principal activity is to act as a holding company, and it predominantly holds an industrial injury provision that relates mainly to current and estimated liabilities under a self-insurance scheme for employers' liability and other related matters. The provision is the best estimate of the directors based on an external actuarial valuation as at 31 December 2018.

The Company has net liabilities of £25,016,000 (2017: 26,318,000) and has received support from D.E Holding UK Limited that it will provide sufficient resources to enable the Company to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements.

The profit for the year was £1,302,000 (2017: £2,274,000).

The directors expect there to be no change in the Company's activity within the foreseeable future.

Principal risks and uncertainties

The Company's principal risk is the uncertainty of the timing and amount of payments to be made for the settlement of industrial injury related claims. This is mitigated through bi-annual actuarial assessment of claims activity.

Financial key performance indicators

Given the nature of the business as a holding company, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. The development, performance and position of the group, which includes the Company, are discussed in the group's financial statements which do not form part of this annual report.

The strategic report of Courtaulds Textiles (Holdings) Limited (registered number 01753996) were approved by the board of directors and authorised for issue on ~~24 September~~ 24 September 2019. They were signed on its behalf by:



D.P.G Jones
Director

Date: 24/9/19

Courtaulds Textiles (Holdings) Limited

Directors' report

For the year ended 31 December 2018

The directors present their report and the audited financial statements of Courtaulds Textiles (Holdings) Limited (the "Company") for the year ended 31 December 2018.

Principal activity and future developments

The Company's principal activity is to act as a holding company; its registered number is 01753996.

The directors expect there to be no change in the Company's activity within the foreseeable future. Further details on future developments are included within the strategic report.

Going concern

The Company has net liabilities of £25,016,000 (31 December 2017: £26,318,000) and has received support from D.E Holding UK Limited that it will provide sufficient resources to enable the Company to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. On this basis the directors consider that the presentation of the financial statements on a going concern basis is appropriate.

The directors have a reasonable expectation that the Company and the group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the Notes to the financial statements.

Dividends and reserves

The directors do not recommend the payment of a dividend for the year (31 December 2017: £nil).

Directors

The directors who served during the year and to the date of signing of the financial statements:

J.R. Cook

D.P.G. Jones

Thrognorton Secretaries LLP continued as company secretary during the year.

Qualifying third party indemnity provisions are provided by a third party for the benefit of the directors of the Company and were in force during the financial year and at the date of approval of the financial statements.

Courtaulds Textiles (Holdings) Limited

Independent auditor's report to the members of Courtaulds Textiles (Holdings) Limited

Report on the audit of the financial statements

For the year ended 31 December 2018

Opinion

In our opinion the financial statements of Courtaulds Textiles (Holdings) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31st December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework" 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 13.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (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.

Courtaulds Textiles (Holdings) Limited

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.

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Courtaulds Textiles (Holdings) Limited

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 strategic report or 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.

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.



Heather Bygrave FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

St Albans, United Kingdom

24 September 2019

Courtaulds Textiles (Holdings) Limited

Profit and loss account

For the year ended 31 December 2018

		Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
	Note		
Administrative income	10	<u>1,302</u>	<u>2,336</u>
Profit on ordinary activities before interest and taxation		1,302	2,336
		<hr/>	<hr/>
Profit on ordinary activities before taxation		1,302	2,336
Tax on Profit on ordinary activities	7	-	(62)
Profit for the financial year		<u>1,302</u>	<u>2,274</u>

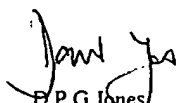
Courtaulds Textiles (Holdings) Limited

Balance sheet

As at 31 December 2018

	Note	2018 £'000	2017 £'000
Fixed assets			
Investments	7	<u>1,725</u>	<u>1,725</u>
Current assets			
Debtors	8	158	36
Creditors: amounts falling due within one year	9	<u>(15,387)</u>	<u>(14,588)</u>
Net current liabilities		<u>(15,229)</u>	<u>(14,552)</u>
Total assets less current liabilities		<u>(13,504)</u>	<u>(12,827)</u>
Provisions for liabilities	10	(11,512)	(13,491)
Net liabilities		<u>(25,016)</u>	<u>(26,318)</u>
Capital and reserves			
Called up share capital	13	12,500	12,500
Profit and loss account		(37,516)	(38,818)
Total shareholder's deficit		<u>(25,016)</u>	<u>(26,318)</u>

The financial statements of Courtaulds Textiles (Holdings) Limited (registered number 01753996) were approved by the board of directors and authorised for issue on 24th September 2019. They were signed on its behalf by:


D.P.G Jones
Director

Courtaulds Textiles (Holdings) Limited

Statement of changes in equity

As at 31 December 2018

	Called up share capital	Profit and loss account	Total
	£'000	£'000	£'000
Balance at 1 January 2017	12,500	(41,092)	(28,592)
Profit for the year	-	2,274	2,274
Total comprehensive income for the year	-	2,274	2,274
Balance at 31 December 2017	12,500	(38,818)	(26,318)
Profit for the year	-	1,302	1,302
Total comprehensive income for the year	-	1,302	1,302
Balance at 31 December 2018	12,500	(37,516)	(25,016)

Courtaulds Textiles (Holdings) Limited

Notes to the financial statements

For the year ended 31 December 2018

1. General information

Courtaulds Textiles (Holdings) Limited (the Company) is a Company incorporated in the United Kingdom under the Companies Act 2006. It is a private Company limited by shares. The address of the registered office is given on page 2. The nature of the Company's operations and its principal activity is set out in the strategic report on page 3.

These financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates.

These financial statements are separate financial statements and the Company is exempt from the preparation of consolidated financial statements under s405 of Companies Act 2006, because it is included in the group financial statements of Jacobs Douwe Egberts B.V. The group financial statements of Jacobs Douwe Egberts B.V. are available to the public and can be obtained as set out in note 14.

The Company has applied FRS 101 'Reduced Disclosure Framework' incorporating the Amendments to FRS 101 issued by the FRC in July 2015 other than those relating to legal changes and has not applied the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2016 that are effective for accounting periods beginning on or after 1 January 2015.

2. Significant accounting policies

Basis of accounting

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

Where relevant, equivalent disclosures have been given in the group financial statements of Jacobs Douwe Egberts B.V. The financial statements of Jacobs Douwe Egberts B.V. are available to the public and can be obtained as set out in note 14.

The financial statements have been prepared on the historical cost basis as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

The principal accounting policies adopted are set out below:

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the strategic report on page 3.

The Company is not expected to generate positive cash flows on its own account for the foreseeable future. The Company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The directors have obtained a letter of support from the Company's parent company, D.E Holding UK Limited. The directors have also considered cash flow projections for the next 12 months and are, therefore, confident around the Company's ability to operate as a going concern or its ability to continue with the current banking arrangements.

The bank facilities are guaranteed by the parent company as part of cash pool arrangement. The parent company has committed to settle the expected overdraft on completion of the final claims.

Courtaulds Textiles (Holdings) Limited

Notes to the financial statements

For the year ended 31 December 2018

2. Significant accounting policies (continued)

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less loss for impairment.

Dividend and interest revenue

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Operating profit

Operating profit is stated before investment income and finance costs.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable 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 tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Courtaulds Textiles (Holdings) Limited

Notes to the financial statements

For the year ended 31 December 2018

2. Significant accounting policies (continued)

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, 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.

There are no significant judgements contained in the financial statements. 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.

Industrial injury provision

Management review the level, timing and value of anticipated industrial injury related claims arising from previous employment based on actuarial advice. This actuarial advice is based on the historic trend of claims received and the anticipated flow of future claims, and this forms the basis of the best estimate of the directors assuming that historic claim patterns and repudiation rates continue into the future. The future projected cash flows have been discounted using a methodology based on the Solvency II risk free rates as issued by EIOPA for Sterling liabilities.

4. Auditor's remuneration

Fees payable for the audit of the Company's annual financial statements were £8,200 paid by a fellow group undertaking (2017: £8,000).

Fees payable for non-audit services to the Company are not required to be disclosed because the consolidated financial statements of the parent Company are required to disclose such fees on a consolidated basis.

5. Staff costs

There were no employees in the company in the year (2017: nil).

The directors do not receive any remuneration in relation to their services to this Company (2017: nil).

Courtaulds Textiles (Holdings) Limited

Notes to the financial statements

For the year ended 31 December 2018

6. Tax

	Year ended 2018 £'000	Year ended 2017 £'000
Corporation tax:		
UK corporation tax	-	62

Corporation tax is calculated at 19% (2018: 19.25 %) of the estimated taxable profit for the year.

The charge for the year can be reconciled to the profit in the profit and loss account as follows:

	Year ended 2018 £'000	Year ended 2017 £'000
Profit/(Loss) before tax	1,302	2,336
Tax at the UK corporation tax rate of 19% (2017: 19.25%)	247	450
Effects of:		
Adjustments in respect of prior years	-	62
Expenses not deductible in determining taxable profit	128	95
Income not taxable in relation to tax losses	(375)	(544)
Transfer pricing adjustments	(2)	(2)
Amounts not recognised	2	1
Tax charge for the year	-	62

The Finance (No.2) Act 2015, which provides for reductions in the main rate of corporation tax to 19% from 1 April 2017 was followed by the Finance Act 2016 which further reduces the rate to 17% effective from 1 April 2020. The Finance Act 2019 was substantively enacted in February 2019 but did not amend the corporation tax rate, and therefore the rate from 1 April 2020 will continue to be 17%. This rate reduction has been reflected in the calculation of deferred tax at the balance sheet date. The closing deferred tax asset as at 31 December 2018 has been calculated at 17% reflecting the tax rate at which the deferred tax asset is expected to be utilised in future periods

Courtaulds Textiles (Holdings) Limited

Notes to the financial statements

For the year ended 31 December 2018

7. Fixed asset investments

	2018 £'000	2017 £'000
At 1 January and 31 December	<u>1,725</u>	<u>1,725</u>

Shares held				
	Country of registration or incorporation	Class	%	Main activity
Linnyslaw Insurance Limited	Isle of Man	Ordinary	100	Insurance

Registered Office: Tower House, Loch Promenade, Douglas, Isle of Man.

In the opinion of the directors, the aggregate value of shares in and amounts owing by the subsidiary undertakings is not less than the aggregate of the amounts at which they are stated in the company's balance sheet.

8. Debtors

	2018 £'000	2017 £'000
Amounts due within one year:		
Other debtors	89	20
VAT	69	16
	<u>158</u>	<u>36</u>

9. Creditors

	2018 £'000	2017 £'000
Amounts due within one year:		
Bank overdrafts	15,361	14,499
Tax and social security	-	62
Other creditors	15	15
Accruals and deferred income	11	12
	<u>15,387</u>	<u>14,588</u>

Courtaulds Textiles (Holdings) Limited

Notes to the financial statements

For the year ended 31 December 2018

10. Provisions

	2018 £'000	2017 £'000
Industrial injury	11,462	13,438
Environmental	25	28
Rent provision	25	25
	<u>11,512</u>	<u>13,491</u>

	Industrial injury £'000	Environ- mental £'000	Rent provision	Total £'000
At 1 January 2018	13,438	28	25	13,491
Utilised during the year	-	(3)	-	(3)
Change in provision	(1,976)	-	-	(1,976)
At 31 December 2018	<u>11,462</u>	<u>25</u>	<u>25</u>	<u>11,512</u>

Industrial injury provision

The provision relates mainly to current and estimated liabilities under a self-insurance scheme for employers' liability and other related matters. The provision is the best estimate of the directors based on an external actuarial valuation as at 31 December 2018 and assumes historic claim patterns and repudiation rates continue into the future. The future projected cash flows have been discounted using a methodology based on the Solvency II risk free rates as issued by EIOPA for Sterling liabilities. Due to the historical nature of the provision, there is uncertainty around the timing of outflows. Administrative income of £1.3m disclosed includes £1.9m release of industrial injury provision. This has been offset against general administrative expenses of the Company.

Environmental provision

The provision relates to various environmental obligations that the company is required to settle. The balance has not been discounted as the impact would not be material.

Rent provision

The provision relates to various legal costs that can be incurred in future in relation to recovery of lease receivable.

11. Deferred tax

At the balance sheet date, the Company has unused tax losses of £18,280,743 (2017: £18,272,603) represented by non-trading deficits of £7,799,158 (2017: 7,799,158), management expenses of £532,251 (2017: £524,051) and capital losses of £9,949,334 (2017: £9,949,334).

No deferred tax assets have been recognised in respect of the above as the directors do not consider it probable that sufficient suitable profits will arise to utilise these assets.

The total unrecognised deferred tax asset is £3,107,726 (2017: £3,106,332), represented by non-trading deficits of £1,325,857 (2017: £1,325,857), management expenses of £90,483 (2017: £89,089) and capital losses of £1,691,386 (2017: £1,691,386).

Courtaulds Textiles (Holdings) Limited

Notes to the financial statements

For the year ended 31 December 2018

12. Called up share capital

	2018 £'000	2017 £'000
Authorised		
15,000,000 (2017: 15,000,000) ordinary shares of £1 each	15,000	15,000
Allotted and fully paid		
12,500,000 (2017: 12,500,000) ordinary shares of £1 each	12,500	12,500

13. Controlling company

In the opinion of the directors, the Company's ultimate parent Company and ultimate controlling party is Jacobs Douwe Egberts B.V., a Company incorporated in the Netherlands. The parent undertaking of the largest and smallest group, which includes the Company and for which group financial statements are prepared, is Jacobs Douwe Egberts B.V. Copies of the group financial statements of Jacobs Douwe Egberts B.V. are available from the offices at Oosterdoksstraat 80, 1011 DK Amsterdam, The Netherlands.

D.E. Holding UK Limited is the immediate controlling company.