

# **C. & J. CLARK OVERSEAS LIMITED**

## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**31<sup>ST</sup> JANUARY 2008**

**Company Registration No. 925436**

MONDAY



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**Company information**

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Directors	R P Beacham J E Derbyshire
Secretary	E A Evans
Company number	925436
Auditors	KPMG LLP Chartered Accountants and Registered Auditor Bristol

The directors present their report and the audited financial statements for the Company for the year ended 31<sup>st</sup> January 2008

**Principal activities**

The Company's principal activity during the year was to act as a holding company of various overseas subsidiaries within the C & J Clark Limited group

The Company qualifies as a small company under the Companies Act 1985 and as such is not required to include a business review in the directors' report

**Directors**

The directors who held office during the year were -

R P Beacham  
J E Derbyshire

**Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware and each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

By order of the Board



E A Evans  
*Company Secretary*  
40 High Street  
Street  
Somerset  
BA16 0EQ

Date 21 July 2008

**Statement of directors' responsibilities in respect of the directors' report and the financial statements**

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The directors are responsible for preparing the directors' report and the 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 UK accounting standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss for that period

In preparing those financial statements the directors are required to.

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 proper accounting records which 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 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

## **Report of the independent auditors to the members of C. & J. Clark Overseas Limited**

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We have audited the financial statements of C & J Clark Overseas Limited for the year ended 31 January 2008 which comprise the Profit and loss account, the Balance sheet, the Reconciliation of movements in shareholders' funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 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 auditors**

The directors are responsible for preparing the directors' report and, as described on page 4, the financial statements in accordance with applicable United Kingdom law and UK accounting standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatement within it.

### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Report of the independent auditors to the members of C. & J. Clark Overseas Limited**

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**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the affairs of the Company as at 31<sup>st</sup> January 2008 and of the profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

*KPMG LLP*

KPMG LLP  
Chartered Accountants  
Registered Auditor  
100 Temple Street  
Bristol  
BS1 6AG

Date 21 July 2008

**Profit and loss account for the year ended 31st January 2008**


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	Notes	2008 £	2007 £
Administrative expenses		13,287	37,790
Intercompany investment provision released		—	<u>25,610</u>
<b>Operating profit</b>		13,287	63,400
Income from shares in Group undertakings		<u>6,825,869</u>	<u>1,654,511</u>
		6,839,156	1,717,911
Interest Receivable	4	<u>8,793</u>	—
<b>Profit on ordinary activities before taxation</b>		6,847,949	1,717,911
Tax on profit on ordinary activities	5	<u>(7,161)</u>	<u>(12,594)</u>
<b>Profit for the year</b>	11	<u>6,840,788</u>	<u>1,705,317</u>

The turnover and operating profit of the Company derive wholly from continuing activities

There were no recognised gains and losses for 2008 or 2007 other than those included in the profit and loss account

The notes on pages 10 to 14 form part of these financial statements



## Balance sheet as at 31st January 2008

		2008		2007	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Investments	6		1,526,043		1,525,988
<b>Current assets</b>					
Debtors	8	6,756,521		285,542	
Cash at bank and in hand		<u>1,010,827</u>		<u>941,330</u>	
		7,767,348		1,226,872	
<b>Creditors : amounts falling due within one year</b>	9	<u>-</u>		<u>(300,257)</u>	
<b>Net current assets</b>			<u>7,767,348</u>		<u>926,615</u>
<b>Total assets less current liabilities</b>			<u>9,293,391</u>		<u>2,452,603</u>
<b>Capital and reserves</b>					
Share capital	10		2		2
Profit and loss account	11		<u>9,293,389</u>		<u>2,452,601</u>
<b>Equity shareholders' funds</b>			<u>9,293,391</u>		<u>2,452,603</u>

Approved by the Board of Directors and signed on its behalf by



R P Beacham  
Director

Date 21 July 2008

The notes on pages 10 to 14 form part of these financial statements

**Reconciliation of movement in shareholders' funds**

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	2008 £	2007 £
<b>Reconciliation of movement in shareholders' funds for the year ended 31<sup>st</sup> January 2008</b>		
Profit for the financial year	<u>6,840,788</u>	<u>1,705,317</u>
Net increase in shareholders' funds	6,840,788	1,705,317
Opening shareholders' funds	<u>2,452,603</u>	<u>747,286</u>
Closing shareholders' funds	<u>9,293,391</u>	<u>2,452,603</u>

The notes on pages 10 to 14 form part of these financial statements

**1. Accounting policies**

**Basis of preparation**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards

**Cash flow statements**

Under FRS 1 the Company is exempt from the requirements to produce a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

**Investment income**

Investment income is comprised of dividends and is accounted for on a receivable basis

**Investments**

In accordance with the accounting policies of the group, investments in subsidiary companies are stated at cost less provisions for any impairment in value

**Foreign currency translation**

Trading transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date. All exchange gains and losses are taken to the profit and loss account

**Related party transactions**

As the Company is a wholly owned subsidiary of C & J Clark Limited, the Company has taken advantage of the exemption contained in FRS 8 and not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of C & J Clark Limited, within which the results of this Company are included, can be obtained from Companies House at the address shown in Note 10

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<b>2. Operating profit</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
The operating profit is stated after charging -		
Auditor's remuneration – audit of these financial statements	<u>10,000</u>	<u>10,000</u>

Amounts receivable by the Company's auditor in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, C&J Clark Limited

**3. Directors' remuneration**

None of the directors received any emoluments in respect of their services to the Company (2007 £nil)

<b>4. Interest receivable</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Bank interest receivable	<u>8,793</u>	<u>-</u>

**5. Taxation**

**a) Analysis of charge in the year:**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
UK Corporation Tax at 30% (2007 30%)	7,161	-
<b>Overseas taxation:</b>		
Japanese withholding tax	<u>-</u>	<u>12,594</u>
<b>Total current taxation</b>	<u>7,161</u>	<u>12,594</u>

**b) Factors affecting tax charge:**

The tax assessed for the year is lower than the standard rate of Corporation Tax in the UK, which is 30%. The differences are explained below

	2008 £	2007 £
Profit on ordinary activities before taxation	<u>6,847,949</u>	<u>1,717,911</u>
At standard rate of Corporation Tax of 30% (2007 30%)	2,054,384	515,373
Expense/(income) not taxable	537	(11,036)
Dividends not taxable	(2,047,760)	(458,571)
Lower tax on overseas dividends	-	(25,189)
Intra-group loan and investment movements	-	<u>(7,983)</u>
Tax on profit on ordinary activities	<u>7,161</u>	<u>12,594</u>

**6. Fixed asset investments**

	Shares in group undertakings £
<b>Cost</b>	
At 1 <sup>st</sup> February 2007	3,420,767
Additions	55
Disposal	<u>(1,246,261)</u>
At 31 <sup>st</sup> January 2008	<u>2,174,561</u>
<b>Impairment provisions</b>	
At 1 <sup>st</sup> February 2007	1,894,779
Movement in year	<u>(1,246,261)</u>
At 31 <sup>st</sup> January 2008	<u>648,518</u>
<b>Net book value</b>	
At 31 <sup>st</sup> January 2008	<u>1,526,043</u>
At 1 <sup>st</sup> February 2007	<u>1,525,988</u>

**7. Shares in group undertakings**

The main investments held by the Company are -

Name of company	Country of Incorporation	Proportion held by company
Clarks Shoes Benelux BV	Holland	100%
Clarks Japan Company Ltd	Japan	100%
C&J Clark Fabrica de Calçado Lda	Portugal	70%
C&J Clark (M) Sdn Bhd	Malaysia	100%
C&J Clark China Trading Company Ltd	China	100%
C & J Clark (S) Pte Ltd	Singapore	100%
C&J Clark Polska SP Zoo	Poland	100%

**8. Debtors**

	2008 £	2007 £
Amounts owed by group undertakings	<u>6,756,521</u>	<u>285,542</u>

**9. Creditors: amounts falling due within one year**

	2008 £	2007 £
Amounts owed to group undertakings	<u>-</u>	<u>300,257</u>

**10. Share capital**

	2008 £	2007 £
<b>Authorised share capital</b>		
Equity 100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted, called up and fully paid</b>		
Equity 2 Ordinary Shares of £1 each	<u>2</u>	<u>2</u>

**11. Movements on reserves**

	Profit and loss account £
At 31 <sup>st</sup> January 2007	2,452,601
Profit for the year	<u>6,840,788</u>
At 31 <sup>st</sup> January 2008	<u>9,293,389</u>

**12. Ultimate holding company**

The Company's immediate parent undertaking is C & J Clark (Holdings) Limited

The Company's ultimate parent company and controlling party is C & J Clark Limited, which is incorporated in England. Copies of its consolidated financial statements, which include the Company, are available from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ