

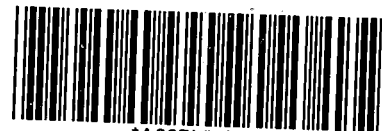
# **C. & J. CLARK OVERSEAS LIMITED**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2017

**Company Registration No. 925436**

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**Contents**

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	<b>Page</b>
<b>Company information</b>	<b>2</b>
<b>Strategic report</b>	<b>3</b>
<b>Directors' report</b>	<b>4</b>
<b>Statement of directors' responsibilities in respect of the directors' report and financial statements</b>	<b>5</b>
<b>Independent auditor's report to the members of C. &amp; J. Clark Overseas Limited</b>	<b>6 to 7</b>
<b>Income Statement</b>	<b>8</b>
<b>Statement of Financial Position</b>	<b>9</b>
<b>Statement of Changes in Equity</b>	<b>10</b>
<b>Notes to the financial statements</b>	<b>11 to 16</b>

**Company information**

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Directors N Sherman

Secretary E A Evans

Company number 925436

Auditor KPMG LLP  
Bristol

**Strategic report**

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The directors present their strategic report for the Company for the year ended 31 January 2017.

**Review of the business**

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 key financial and other performance indicators during the year were as follows:

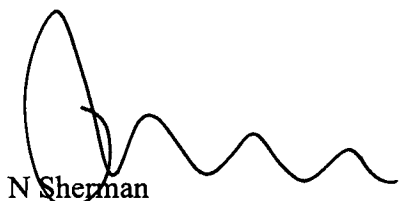
	2017	2016	Change
	£	£	%
Income from shares in Group Undertakings	8,447,612	3,549,489	138%
Profit after tax	7,900,375	(1,289,701)	713%
Investments	1,682,952	1,682,952	-
Equity Shareholder's funds	27,051,774	19,151,399	41%

Income from shares in Group Undertakings has increased by 138% compared to the prior year. Profit after tax has increased by £9,190,076 to £7,900,375 in the year which is because of an investment impairment being charged to the income statement in the prior year and the company receiving higher dividends from a subsidiary compared to the prior year. Equity shareholder's fund has increased by £7,900,375 which is the profit for the year.

**Principal Risks and Uncertainties**

As C & J Clark Overseas Limited acts as a holding company the only identified company specific risk is the potential impairment of investments. Management continue to monitor subsidiary performance and would undertake remedial action were underperformance to arise. There is an ongoing process for identifying, evaluating and managing the significant risks faced by the C & J Clark Group. For details of the risks and how they are managed please refer to page 32 in the Group financial statements, these are available from the address included within note 9 of these financial statements.

By order of the Board



N Sherman  
Director  
40 High Street  
Street  
Somerset  
BA16 0EQ

Date: 4 May 2017

**Directors' report**

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The directors present their report and the audited financial statements for the Company for the year ended 31 January 2017.

**Dividends**

The directors do not recommend the payment of a dividend (2016: £nil).

**Directors**

The directors who held office during the year, and subsequently, were as follows:

D Wakeford (Resigned 10<sup>th</sup> February 2017)

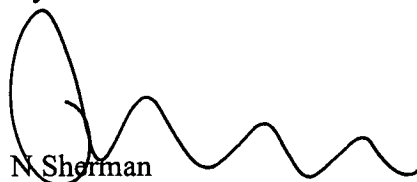
M Coley (Resigned 30<sup>th</sup> April 2017)

N Sherman (Appointed 6<sup>th</sup> January 2017)

**Disclosure of information to auditor**

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 auditor is 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 auditor is aware of that information.

By order of the Board

A handwritten signature in black ink, appearing to be 'N Sherman', written over the printed name.

N Sherman  
*Director*  
40 High Street  
Street  
Somerset  
BA16 0EQ

Date: 4 May 2017

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

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The directors are responsible for preparing the Strategic Report, 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)

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 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 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 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.

## **Independent auditor's report 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 2017 set out on pages 8 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 102 *The Financial Standard applicable in the UK and Republic of Ireland*.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Independent auditor's report to the members of C. & J. Clark Overseas Limited (continued)**

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**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements. Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic and Directors reports:

- We have not identified material misstatements in that report; and
- In our opinion that report has been prepared in accordance with Companies Act 2006.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Andrew Campbell-Orde (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
66 Queen Square  
Bristol  
BS1 4BE

Date: 5 May 2017



**Income Statement for the year ended 31 January 2017**

		<b>2017</b>	<b>2016</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
Administrative expenses		<u>(5,807)</u>	<u>(4,835,086)</u>
<b>Operating loss</b>		<b>(5,807)</b>	<b>(4,835,086)</b>
Income from shares in Group undertakings		<b>8,447,612</b>	<b>3,549,489</b>
Net Interest		<u><b>301,615</b></u>	<u><b>411,361</b></u>
<b>Profit/(loss) before taxation</b>			
	<b>2</b>	<b>8,743,420</b>	<b>(874,236)</b>
Tax on profit/(loss)	<b>4</b>	<u><b>(843,045)</b></u>	<u><b>(415,465)</b></u>
<b>Profit/(loss) for the year</b>		<u><b>7,900,375</b></u>	<u><b>(1,289,701)</b></u>

The operating profit/(loss) of the Company derives wholly from continuing activities.

There were no recognised gains and losses in either year other than those included in the income statement.

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

## Statement of Financial Position as at 31 January 2017

		2017		2016
	Notes	£	£	£
<b>Fixed assets</b>				
Investments	5	1,682,952		1,682,952
<b>Current assets</b>				
Debtors	7	23,225,899		15,932,599
Cash at bank and in hand		2,142,923		1,535,848
		<u>25,368,822</u>		<u>17,468,447</u>
<b>Creditors: amounts falling due within one year</b>		<u>-</u>		<u>-</u>
<b>Net current assets</b>		<u>25,368,822</u>		<u>17,468,447</u>
<b>Net assets</b>		<u>27,051,774</u>		<u>19,151,399</u>
<b>Capital and reserves</b>				
Share capital	8	2		2
Profit and loss account		<u>27,051,772</u>		<u>19,151,397</u>
<b>Shareholders' funds</b>		<u>27,051,774</u>		<u>19,151,399</u>

The financial statements of C. & J. Clark Overseas Ltd, registered number 925436, were approved by the Board of Directors and signed on its behalf by:

N Sherman  
Director



Date: 4 May 2017

The notes on pages 11 to 16 form part of these financial statements

**Statement of Changes in Equity for the year ended 31 January 2016**

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	<b>Called up Share Capital £</b>	<b>Profit and Loss Account £</b>	<b>Total Equity £</b>
Balance at 1 February 2015	<u>2</u>	<u>20,441,098</u>	<u>20,441,100</u>
Profit for the year		(1,289,701)	(1,289,701)
Dividends Paid	-	-	-
Balance at 31 January 2016	<u>2</u>	<u>19,151,397</u>	<u>19,151,399</u>

**Statement of Changes in Equity for the year ended 31 January 2017**

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	<b>Called up Share Capital £</b>	<b>Profit and Loss Account £</b>	<b>Total Equity £</b>
Balance at 1 February 2016	<u>2</u>	<u>19,151,397</u>	<u>19,151,399</u>
Profit for the year		7,900,375	7,900,375
Dividends Paid	-	-	-
Balance at 31 January 2017	<u>2</u>	<u>27,051,772</u>	<u>27,051,774</u>

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

**Notes to the financial statements for the year ended 31 January 2017**

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**1. Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

C & J Clark Overseas Limited is a company limited by shares and incorporated and domiciled in the UK.

**Basis of preparation**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards. These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS102 issued in July 2015 have been applied.

The companies ultimate parent undertaking, C&J Clark Limited includes the Company in its consolidated financial statements. The consolidated financial statements of C&J Clark Limited are prepared in accordance with UK Generally Accepted Accounting Practice including FRS102. In these financial statements, the company is considered to be a qualifying entity (for the purpose of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash flow statement and related notes; and
- Key management personnel compensation

There are considered to be no significant judgements made by the directors, in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year

**Going concern**

The directors have considered going concern and decided that it is appropriate for the accounts to be prepared on a going concern basis due to the strong balance sheet.

**Financial statements**

The Company is exempt from the requirement to prepare Group financial statements by virtue of section 400 of the Companies Act 2006. These financial statements present information about the Company as an individual undertaking and not about its Group.

**Basic financial instruments*****Trade and other debtors***

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

***Trade and other creditors***

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

## Notes to the financial statements for the year ended 31 January 2017 (continued)

**1. Accounting Policies (continued)****Basic financial instruments (continued)*****Investments in subsidiaries, jointly controlled entities and associates***

These are separate financial statements of the company. Investments in subsidiaries and jointly controlled entities are carried at cost less impairment.

***Cash and cash equivalents***

Cash and cash equivalents comprise cash balances and bank overdrafts that are repayable on demand. These form an integral part of the company's cash management.

**Investment income**

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

**Net finance costs**

Interest payable and similar charges include interest payable and finance leases recognised in the income statement using the effective interest method, and net foreign exchange losses that are recognised in the income statement.

Interest income is recognised in the income statement as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

**Taxation**

Tax on the profit or loss for the year comprises current tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted at the year end date, and any adjustment to tax payable in respect of previous years.

**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 under FRS 102 paragraph 33.1A and not disclosed transactions or balances with wholly-owned subsidiaries 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 9.

## Notes to the financial statements for the year ended 31 January 2017 (continued)

**2. Notes to the Income Statement**

Audit fees for the current and prior year have been borne by another group company.

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.

During the current and prior year the Company had no employees.

**3. Directors' remuneration**

None of the directors received any emoluments in respect of their services to the Company (2016: £nil) as these services are deemed to constitute a negligible portion of their time.

**4. Taxation****a) Analysis of charge in the year:**

	2017 £	2016 £
UK Corporation Tax at 20.0% (2016: 20.2%)	<u>843,045</u>	<u>415,465</u>
<b>Total current taxation</b>	<u><b>843,045</b></u>	<u><b>415,465</b></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 20.0% (2016: 20.2%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before taxation	<u>8,743,419</u>	<u>(874,236)</u>
At standard rate of Corporation Tax of 20.0% (2016: 20.2%)	<b>1,748,684</b>	(176,303)
Dividends not taxable	<b>(1,689,522)</b>	(715,814)
Withholding tax on dividends	<b>784,045</b>	333,404
Other disallowable items	<b>(162)</b>	
Non-taxable intercompany movement on investment	<u>-</u>	<u>974,178</u>
<b>Tax on profit on ordinary activities</b>	<u><b>843,045</b></u>	<u><b>415,465</b></u>

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

## Notes to the financial statements for the year ended 31 January 2017 (continued)

## 5. Fixed asset investments

	Shares in group undertakings £
<b>Cost</b>	
At 1 February 2016	7,163,739
Additions	-
At 31 January 2017	<u>7,163,739</u>
<b>Impairment provisions</b>	
At 1 February 2016	5,480,787
Impairment during the year	-
At 31 January 2017	<u>5,480,787</u>
<b>Net book value</b>	
At 31 January 2017	<u>1,682,952</u>
At 1 February 2016	1,682,952

An annual impairment review is carried out on each subsidiary based on current and future trading performance and financial position. The review highlighted that the investment in C & J Clark Ticaret ve Pazarlama A.S was impaired and as a result was charged to the income statement in 2015/16. There was no further impairment identified in 2016/17.

## 6. Shares in group undertakings

Companies Act 2006 require that the address of the registered office for all undertakings be included in the Annual report. The registered offices have been cross reference to the footnote below the table.

The direct investments held by the Company are:-

Name of Company	Registered office	Country of Incorporation	Proportion held by company
Clarks Shoes Benelux BV	1	Holland	100%
Clarks Japan Company Ltd	2	Japan	100%
C&J Clark (M) Sdn Bhd	3	Malaysia	100%
C&J Clark China Trading Company Ltd	4	China	100%
C & J Clark (S) Pte Ltd	5	Singapore	100%
C & J Clark Polska SP Zoo	6	Poland	100%
Clarks Shoes Iberia SA	7	Spain	100%
Clarks Shoes Handelsgesellschaft mbH	8	Austria	100%
C & J Clark Ticaret ve Pazarlama A.S	9	Turkey	100%

## Notes to the financial statements for the year ended 31 January 2017 (continued)

**6. Shares in group undertakings (continued)**

Name of Company	Registered office	Country of Incorporation	Proportion held by company
Clarks Ireland Sales Limited	10	Ireland	100%
Atlas Shoes Limited		Cyprus	10%
Clarks Shoes Australia PTY Ltd	11	Australia	100%
Clarks Shoes PTY Ltd	11	Australia	100%
Clarks Shoes Limited	12	New Zealand	100%
Clarks Shoes Australia Superannuation PTY Ltd	11	Australia	100%

**Registered offices**

1. Chasseveld 15 f, 4811DH Breda, Holland
2. 11f, Shin-Aoyama Tokyu Building, 3-11-13 Minami Aoyama, Minato-ku, Tokyo, 107-0062 Japan
3. 38D-2A, Jalan Radin Anum, Bandar Baru Seri Petaling, 57000 Kuala Lumpur, Malaysia
4. Room 625, 88 Taigu Road, Waigaoqiao Free Trade Zone, Shanghai, China
5. 11 Chang Cham Road, #02-01 Shriro House, Singapore 159640
6. ul. Aleje Jerozolimskie, lokal 56 C, kod 00-803, poczta Warszawa, kraj Poland
7. Rambla de Catalunya Num. 62, Principal 1 Barcelona 08007, Spain
8. Moosfeldstrasse 1, 5101 Bergheim bei Salzburg, Austria
9. Halil Rifat Pasa mah. Teoman sk. Aksu IsMerk. 2/2 PK34384 Okmeydanı, Sisli Istanbul, Turkey
10. Building 1, Swift Square, Northwood Business Park, Santry, Dublin 9, Ireland
11. 37 Mountain View Road, Balwyn North, VIC 3104, Australia
12. C/O KPMG, 18 Viaduct Harbour Avenue, Maritime Square, Auckland, New Zealand

**7. Debtors**

	2017 £	2016 £
Amounts owed by group undertakings	<u>23,225,900</u>	<u>15,932,599</u>

**8. Share capital**

	2017 £	2016 £
<b>Called up and fully paid</b>		
Equity: 2 Ordinary Shares of £1 each	<u>2</u>	<u>2</u>



**Notes to the financial statements for the year ended 31 January 2017 (continued)**

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**9. 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.

The registered office for the immediate and ultimate parent company is 40 High Street, Street, Somerset BA16 0EQ