

Company No. 925436

## **C. & J. Clark (Services) Limited**

**Annual Report and financial statements**  
For the 48-week period ended 31 December 2022

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**C. & J. Clark (Services) Limited**

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**C. & J. Clark (Services) Limited**

**Company Information**

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**Directors**

P Wakefield

J Ram

**Company number**

925436

**Independent Auditors**

PricewaterhouseCoopers LLP  
One Chamberlain Square  
Birmingham  
B3 3AX

**Registered office**

40 High Street  
Street  
Somerset  
United Kingdom  
BA16 0EQ

## **C. & J. Clark (Services) Limited**

### **Strategic Report**

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#### **Introduction**

The Company's principal activity during the period was to provide financial transaction processing support services to trading companies within the Clark Group. In addition, the company continued to act as a holding company of various overseas subsidiaries within the C&J Clark (No 1) Limited Group.

The Company is a wholly owned subsidiary of C. & J. Clark (Holdings) Limited which is itself a subsidiary of C&J Clark (No 1) Limited. Throughout this report "Group" is to be taken as meaning C&J Clark (No 1) Limited and all its subsidiary entities. The Company does not prepare consolidated financial statements.

The year end of C. & J. Clark (Services) Limited has changed to 31 December 2022, to align with the ultimate parent company, Viva Goods Company Limited (previously known as Viva China Holdings Limited). This has resulted in a shorter reporting period for this financial period of 48 weeks. The period to 31 December 2022 constitutes a 48-week period from 30 January 2022 to 31 December 2022, and referred to in headings as 31 December 2022. The prior year is a 52-week period from 31 January 2021 to 29 January 2022 and is referred to in headings as 29 January 2022.

#### **Business review**

The result for the period was a profit of £1.8m (29 January 2022: £7.6m).

As at 31 December 2022, the Company had net assets of £36.0m (29 January 2022: £34.2m).

#### **Financial KPI's**

As the Company was predominantly providing financial transaction processing support services to trading companies during the period, the directors believe that analysis using key performance indicators for the Company is neither necessary nor appropriate for an understanding of the development, performance or position of the business of the Company.

#### **Principal Risks and Uncertainties**

The Company's principal risk is the non-recoverability of inter-company debt, this is mitigated through the close working relationship within the Group.

The report was approved by the Board and signed on its behalf.

DocuSigned by:  
  
6724AF55307D4D4  
Paul Wakefield  
**Director**  
29 June 2023

## **C. & J. Clark (Services) Limited**

### **Directors' Report**

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The directors present their report and the audited financial statements for the Company for the 48-week period ended 31 December 2022.

#### **Results and dividends**

The profit for the period, after taxation was £1.8m (29 January 2022: £7.6m). No dividend was declared or paid in the period (29 January 2022: £nil).

#### **Directors**

The directors of the company who were in office during the year and up to the date of signing the financial statements were as follows:

J Ulloa	(resigned 28 February 2023)
P Wakefield	
J Ram	(appointed 1 March 2023)
O Motteau	(appointed 1 March 2023, resigned 29 March 2023)

#### **Qualifying indemnity provisions**

The directors of the Company each enjoy the benefit of a qualifying third-party indemnity against any liability incurred on account of serving as a director in respect of any legal proceedings brought against him or her in which judgement is given in his or her favour, or in which he or she is acquitted, or in connection with any application in which relief is given to him or her. Such qualifying indemnity is included in each directors' letter of appointment and is in place during the financial year and also at the date of approval of the financial statements.

The qualifying indemnity is supported and supplemented by directors' and officers' liability insurance which is in place for all directors in respect of their activities on behalf of the Company.

#### **Going Concern**

The Company made a profit of £1.8m for the 2022 financial year and had a net current asset position of £34.5m at 31 December 2022.

In determining whether the Company's financial statements can be prepared on a going concern basis, management's assessment is linked to the ability of the Group to continue as a going concern. The Directors of the Company have asked for and received a letter of support from the parent company, C&J Clark (No 1) Limited, which covers the going concern period of 12 months from the date of approval of these financial statements. The Directors have considered the ability of the parent company to stand behind that letter of support, to meet the Company's obligations as they fall due within the going concern period.

A Group going concern assessment has been performed, the Group Directors considered the Group's business activities and cash requirements together with factors likely to affect its performance and financial position, including the current economic climate and any ongoing impact of Covid-19. The period of management's assessment is to 31 December 2024 and the going concern basis is dependent on the Group maintaining adequate levels of resources to operate during the period.

**C. & J. Clark (Services) Limited****Directors' Report (continued)**

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**Going concern (continued)**

In making this assessment, the Group Directors have considered the latest medium-term plan to the end of December 2024, including detailed trading and cash flow forecasts. As well as the base case scenario, reflecting the expected outcome, they also considered a downside scenario which represents a pessimistic but plausible result. Against this a reverse stress test was also performed, to understand the tolerance to maintain within our existing debt facilities before triggering a covenant test that we would fail.

At 31 December 2022, the Group had £87.1m in cash balances for consideration in the going concern evaluation. The Group has in place an Asset Based Loan facility for a period of 5 years expiring in June 2027. The available facility is dependent upon the value of our receivables and inventory but is capped at \$250m. At 31 December 2022 the drawdown on this facility was \$40m, so utilisation is still relatively low.

As part of the forecasting process, the Group has also modelled the cash position looking forward which shows adequate headroom against our debt facility, peaking at 46% utilisation in the base case and 70% in the downside scenario.

Based on the going concern assessment of the Group, the Group Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the 12 months from the date of approval of these financial statements. Therefore, the Directors of the Company are satisfied that these financial statements are prepared on a going concern basis.

**Directors' responsibilities statement**

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 prepared the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

**C. & J. Clark (Services) Limited**

**Directors' Report (continued)**

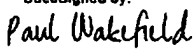
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**Directors' confirmations**

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have 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.

The report was approved by the Board and signed on its behalf.

DocuSigned by:  
  
6724AF55307D4D4...

Paul Wakefield  
**Director**  
29 June 2023

**Independent Auditors' Report to the members of C. & J. Clark (Services) Limited**

# **Independent auditors' report to the members of C. & J. Clark (Services) Limited**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion, C. & J. Clark (Services) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the 48 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: Statement of Financial Position as at 31 December 2022; the Income Statement and Statement of Changes in Equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Conclusions relating to going concern**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.



## **Independent Auditors' Report to the members of C. & J. Clark (Services) Limited**

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the period ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

## **Independent Auditors' Report to the members of C. & J. Clark (Services) Limited**

### **Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to employment legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as UK tax legislation, and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of journal entries with unexpected account combinations and management bias in significant accounting estimates and/or judgements. Audit procedures performed by the engagement team included:

- Discussions with management and those charged with governance, over consideration of known or suspected instances of non-compliance with laws, regulations and fraud;
- Identifying and testing higher risk journal entries, such as any journal entries posted with unexpected account combinations in particular unexpected or unusual entries to revenue and journals with unusual descriptions. Testing was also performed to validate the completeness of the data on which our risk-based procedures were performed;
- Challenging assumptions and judgements made by management in their significant accounting estimates and judgements; and
- Reviewing the financial statements for adequate and appropriate disclosures in compliance with the Companies Act 2006.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Independent Auditors' Report to the members of C. & J. Clark (Services) Limited**

## Other required reporting

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Mark Billingham (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
29 June 2023

**C. & J. Clark (Services) Limited****Income Statement**

		<b>48 weeks ending 31 December 2022</b>	<b>52 weeks ending 29 January 2022</b>
	<b>Note</b>	<b>£'m</b>	<b>£'m</b>
<b>Turnover</b>	<b>2</b>	<b>1.6</b>	<b>1.6</b>
<b>Cost of sales</b>		<b>(0.9)</b>	<b>(1.4)</b>
<b>Gross profit</b>		<b>0.7</b>	<b>0.2</b>
<b>Administration expenses</b>		<b>(0.0)</b>	<b>-</b>
<b>Operating profit</b>	<b>4</b>	<b>0.7</b>	<b>0.2</b>
<b>Income from shares in Group undertakings</b>	<b>5</b>	<b>0.4</b>	<b>6.7</b>
<b>Net interest</b>		<b>1.1</b>	<b>1.3</b>
<b>Profit before tax</b>		<b>2.2</b>	<b>8.2</b>
<b>Tax on profit</b>	<b>6</b>	<b>(0.4)</b>	<b>(0.6)</b>
<b>Profit for the financial period</b>		<b>1.8</b>	<b>7.6</b>

The result of the Company derives wholly from continuing activities.

There were no recognised gains and losses other than those included in the results above.

The accounting policies and notes on pages 14 to 21 form part of the financial statements.

**C. & J. Clark (Services) Limited****Statement of Financial Position**  
**Company number 925436**

		<b>As at 31 December 2022</b>	<b>As at 29 January 2022</b>
	<b>Note</b>	<b>£'m</b>	<b>£'m</b>
<b>Fixed assets</b>			
Investments	<b>7</b>	<b>1.5</b>	<b>1.5</b>
Debtors - amounts falling due after more than one year	<b>8</b>	<b>-</b>	<b>29.0</b>
		<b>1.5</b>	<b>30.5</b>
<b>Current assets</b>			
Debtors - amounts falling due within one year	<b>9</b>	<b>34.2</b>	<b>3.7</b>
Cash at bank and in hand		<b>0.4</b>	<b>0.0</b>
<b>Total current assets</b>		<b>34.6</b>	<b>3.7</b>
Creditors: amounts falling due within one year	<b>10</b>	<b>(0.1)</b>	<b>(0.0)</b>
<b>Net current assets</b>		<b>34.5</b>	<b>3.7</b>
<b>Net assets</b>		<b>36.0</b>	<b>34.2</b>
<b>Capital and Reserves</b>			
Called up share capital	<b>11</b>	<b>0.0</b>	<b>0.0</b>
Profit and loss account		<b>36.0</b>	<b>34.2</b>
<b>Total Shareholders' funds</b>		<b>36.0</b>	<b>34.2</b>

The financial statements on pages 11 to 21 were approved for issue by the Board of Directors on 29 June 2023 and were signed on its behalf.

DocuSigned by:  
  
 8724AF55307D4D4  
 Paul Wakefield  
 Director

The accounting policies and notes on pages 14 to 21 form part of the financial statements.

**C. & J. Clark (Services) Limited****Statement of Changes in Equity****Statement of Changes in Equity for the period ended 29 January 2022**

	<b>Called up Share Capital £'m</b>	<b>Profit and Loss Account £'m</b>	<b>Total Shareholders' Funds £'m</b>
<b>Balance at 31 January 2021</b>	<b>0.0</b>	<b>26.6</b>	<b>26.6</b>
Profit for the financial period	-	7.6	7.6
<b>Balance at 29 January 2022</b>	<b>0.0</b>	<b>34.2</b>	<b>34.2</b>

**Statement of Changes in Equity for the period ended 31 December 2022**

	<b>Called up Share Capital £'m</b>	<b>Profit and Loss Account £'m</b>	<b>Total Shareholders' Funds £'m</b>
<b>Balance at 30 January 2022</b>	<b>0.0</b>	<b>34.2</b>	<b>34.2</b>
Profit for the financial period	-	1.8	1.8
<b>Balance at 31 December 2022</b>	<b>0.0</b>	<b>36.0</b>	<b>36.0</b>

The accounting policies and notes on pages 14 to 21 form part of the financial statements.

**C. & J. Clark (Services) Limited****Notes to the financial statements for the period ended 31 December 2022**

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**I. Accounting Policies**

C. & J. Clark (Services) Limited (the "Company") is a private company limited by shares and incorporated and domiciled in England, United Kingdom. The registered office is 40 High Street, Street, Somerset, BA16 0EQ.

The Company's principal activity during the period was to provide financial transaction processing support services to trading companies within the Clark Group. In addition, the company continued to act as a holding company of various overseas subsidiaries within the C&J Clark (No 1) Limited Group.

The financial statements are prepared on the historical cost convention in accordance with the Companies Act 2006 and Financial Reporting Standard 102 (FRS 102) applicable in the UK and Republic of Ireland.

**Basis of Presentation**

All amounts in the financial statements are in Pounds Sterling (£) being the Company's functional currency and rounded to the nearest £'m.

The Company is included in the consolidated financial statements of C&J Clark (No 1) Limited. The consolidated financial statements of C&J Clark (No 1) 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 and has applied the exemptions available under FRS 102.10.2 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 period. The accounting policies have been applied consistently, other than where new policies have been adopted.

**Basis for preparation of financial statements on a going concern basis**

The Company made a profit of £1.8m for the 2022 financial year and had a net current asset position of £34.5m at 31 December 2022.

In determining whether the Company's financial statements can be prepared on a going concern basis, management's assessment is linked to the ability of the Group to continue as a going concern. The Directors of the Company have asked for and received a letter of support from the parent company, C&J Clark (No 1) Limited, which covers the going concern period of 12 months from the date of approval of these financial statements. The Directors have considered the ability of the parent company to stand behind that letter of support, to meet the Company's obligations as they fall due within the going concern period.

A Group going concern assessment has been performed, the Group Directors considered the Group's business activities and cash requirements together with factors likely to affect its performance and financial position, including the current economic climate and any ongoing impact of Covid-19. The period of management's assessment is to 31 December 2024 and the going concern basis is dependent on the Group maintaining adequate levels of resources to operate during the period.

**C. & J. Clark (Services) Limited****Notes to the financial statements for the period ended 31 December 2022 (continued)****1. Accounting Policies (continued)****Basis for preparation of financial statements on a going concern basis (continued)**

In making this assessment, the Group Directors have considered the latest medium-term plan to the end of December 2024, including detailed trading and cash flow forecasts. As well as the base case scenario, reflecting the expected outcome, they also considered a downside scenario which represents a pessimistic but plausible result. Against this a reverse stress test was also performed, to understand the tolerance to maintain within our existing debt facilities before triggering a covenant test that we would fail.

At 31 December 2022, the Group had £87.1m in cash balances for consideration in the going concern evaluation. The Group has in place an Asset Based Loan facility for a period of 5 years expiring in June 2027. The available facility is dependent upon the value of our receivables and inventory but is capped at \$250m. At 31 December 2022 the drawdown on this facility was \$40m, so utilisation is still relatively low.

As part of the forecasting process, the Group has also modelled the cash position looking forward which shows adequate headroom against our debt facility, peaking at 16% utilisation in the base case and 70% in the downside scenario.

Based on the going concern assessment of the Group, the Group Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the 12 months from the date of approval of these financial statements. Therefore, the Directors of the Company are satisfied that these financial statements are prepared on a going concern basis.

**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**

The Company applies section 11 and 12 of FRS 102 in respect of recognition and measurement of financial instruments.

***Amounts owed by Group undertakings, other debtors and creditors***

Amounts owed by Group undertakings, other debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Income Statement in other operating expenses.

***Investments in subsidiaries, jointly controlled entities and associates***

A subsidiary is an entity controlled directly or indirectly by C. & J. Clark (Services) Limited. Control is regarded as the exposure or rights to the variable returns of the entity when combined with the power to affect those returns. Investments in subsidiaries are held at historical cost less provisions for impairment. Subsidiary undertakings are only tested for impairment where there is an indicator of impairment, including where they are loss making on a UK GAAP basis after adjusting for any transfer pricing impact.

***Cash and cash equivalents***

Cash and cash equivalents comprise cash in-hand, current balances with banks and similar institutions and highly liquid investments which are readily convertible into known amounts of cash and are held at amortised cost. There is an intercompany guarantee in place over the bank account.



**C. & J. Clark (Services) Limited****Notes to the financial statements for the period ended 31 December 2022 (continued)**

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**1. Accounting Policies (continued)****Turnover**

The Company's turnover is generated through providing financial transaction processing support services to trading companies within the C&J Clark (No 1) Limited Group.

Turnover is recognised in the period the service is provided. An intercompany invoice is issued to the relevant group entity for the processing support services provided in the month.

**Income from shares in Group undertakings**

Income from shares in Group undertakings are recognised in the Income Statement when the right to receive payment is established.

**Net finance costs**

Interest payable and similar charges include interest payable and recognised in the Income Statement using the effective interest method.

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**

The tax on profit for the period comprises current and deferred 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 (OCI), in which case the tax impact of those items is also recognised directly in equity or OCI.

The current tax payable or receivable is based on the taxable profit for the period. Taxable profit may differ from reported profit because of items that are not taxable or due to timing differences. The Company's current tax assets and liabilities are calculated using tax rates that have been enacted by the reporting date. Current tax may also include adjustments to tax payable for previous reporting periods.

**Related party transactions**

As the Company is a wholly owned subsidiary of C&J Clark (No 1) Limited at the balance sheet date, the Company has taken advantage of the exemption under FRS 102 (section 33) to not disclose transactions or balances with wholly-owned subsidiaries which form part of the Group. The consolidated financial statements of C&J Clark (No 1) Limited, within which the results of this Company are included, can be obtained from Companies House at the address shown in Note 12.

**2. Turnover**

The turnover of the Company is generated through providing financial transaction processing support services to trading companies within the C&J Clark (No 1) Limited Group.

**C. & J. Clark (Services) Limited****Notes to the financial statements for the period ended 31 December 2022 (continued)****3. Auditors' Remuneration**

Audit fees for the current and prior period have been borne by another Group Company.

Amounts receivable by the Company's auditors 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 (No 1) Limited.

**4. Operating profit****a) Payroll costs charged in arriving at operating profit includes:**

	<b>48 weeks ending 31 December 2022 £'m</b>	<b>52 weeks ending 29 January 2022 £'m</b>
Wages and salaries	1.1	1.2
Social security costs	0.1	0.1
Other pension costs	0.1	0.1
<b>Total</b>	<b>1.3</b>	<b>1.4</b>

**b) Directors' emoluments**

None of the directors received any emoluments in respect of their services to the Company (29 January 2022: £nil) as these services are deemed to constitute a negligible portion of their time.

**c) Average number of full-time and part-time employees**

	<b>48 weeks ending 31 December 2022 Number</b>	<b>52 weeks ending 29 January 2022 Number</b>
Group Shared Service Centre	39	41

The average number of employees has been calculated on a monthly weighted average. The total number of employees at the period end was 41 (29 January 2022: 37).

**5. Income from shares in Group undertakings**

Income from shares in Group undertakings are recognised in the Income Statement when the right to receive payment is established. Income from shares in Group undertakings was £0.4m (29 January 2022: £6.7m).

**C. & J. Clark (Services) Limited****Notes to the financial statements for the period ended 31 December 2022 (continued)****6. Tax on profit****a) Analysis of charge in the period:**

	<b>48 weeks ending 31 December 2022 £'m</b>	<b>52 weeks ending 29 January 2022 £'m</b>
UK Corporation Tax at 19.0%	0.4	0.6
<b>Tax on profit</b>	<b>0.4</b>	<b>0.6</b>

**b) Factors affecting tax charge:**

The tax assessed for the period is the same as the standard rate of Corporation Tax in the UK, which is 19.0% (29 January 2022: 19.0%).

	<b>48 weeks ending 31 December 2022 £'m</b>	<b>52 weeks ending 29 January 2022 £'m</b>
<b>Profit before tax</b>	<b>2.2</b>	<b>8.2</b>
At UK rate of Corporation Tax of 19.0%	0.4	1.6
Intra-group dividend	( 0.1)	( 1.3)
Withholding tax on dividend	0.1	0.3
<b>Tax charge on profit</b>	<b>0.4</b>	<b>0.6</b>

The Finance Act 2021 enacted on 10 June 2021 increased the main rate of UK corporation tax from 19% to 25%, effective from 1 April 2023. Accordingly, UK deferred tax has been provided and recognised at the rates applicable when the timing differences are expected to reverse.

**C. & J. Clark (Services) Limited****Notes to the financial statements for the period ended 31 December 2022 (continued)****7. Investments**

<b>Shares in Group undertakings:</b>	<b>31 December 2022</b>	<b>29 January 2022</b>
	<b>£'m</b>	<b>£'m</b>
Opening net book values	1.5	1.5
Addition/increase in net assets	-	-
Impairment	-	-
<b>Closing book values</b>	<b>1.5</b>	<b>1.5</b>

Companies Act 2006 requires the registered address and principle place of business of each principal subsidiary to be disclosed. The registered offices have been cross reference to the footnote below the table.

The direct investments held by the Company are: -

<b>Name of subsidiary</b>	<b>Registered office</b>	<b>Nature of business</b>	<b>Country of Incorporation</b>	<b>Proportion held by Company</b>
Clarks Shoes Benelux BV	1	Retailer	Holland	100%
Clarks Japan Company Ltd	2	Retailer	Japan	100%
C&J Clark (M) Sdn Bhd	3	Retailer	Malaysia	100%
C & J Clark China Trading Company Ltd	4	Retailer	China	100%
C & J Clark (S) Pte Ltd	5	Retailer	Singapore	100%
C & J Clark Polska Sp. Z.o.o.	6	Retailer	Poland	100%
Clarks Shoes Iberia SA	7	Retailer	Spain	100%
Clarks Shoes Handelsgesellschaft m.b.H	8	Retailer	Austria	100%
C & J Clark Ticaret ve Pazarlama A.S	9	Dormant	Turkey	100%
Clarks Shoes Australia PTY Ltd	10	Holding Company	Australia	100%
C&J Clark Korea Limited	11	Support Services	South Korea	100%
C & J Clark Portugal Limited	12	Retailer	Portugal	100%
C & J Clark (Cambodia) Footwear Company Limited	13	Sourcing	Cambodia	100%
C. & J. Clark France SAS	14	Retailer	France	100%
C. & J. Clark Mexico, S. DER.L. DE C. V	15	Dormant	Mexico	1%

The indirect investments held by the Company are: -

<b>Name of subsidiary</b>	<b>Registered office</b>	<b>Nature of business</b>	<b>Country of Incorporation</b>	<b>Proportion held by Company</b>
C. & J. Clark Mexico, S. DER.L. DE C. V	15	Dormant	Mexico	99%
Clarks Shoes PTY Ltd	10	Licensing	Australia	100%

**C. & J. Clark (Services) Limited****Notes to the financial statements for the period ended 31 December 2022 (continued)****7. Investments (continued)****Registered offices**

1. Buizerdlaan 6, 3435 SB, Nieuwegein, Netherlands
2. 11f, Shin-Aoyama Tokyu Building, 3-11-13 Minami Aoyama, Minato-ku, Tokyo, 107-0062 Japan
3. Unit No. 17-2, Level 17, Wisma UOA II, No. 21, Jalan Pinang, Kuala Lumpur, 50450, Malaysia
4. Room 625, 88 Taigu Road, Waigaoqiao Free Trade Zone, Shanghai, China
5. 163 Penang Road, #07-01/05 Winsland House II Singapore 2384636.
6. Al. Jerozolimskie 81, Warszawa, 02-001, Poland
7. Paseo de la Castellana 53, 1, 28046, Madrid, 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. 503-505, Kent Street, Sydney, NSW, 2000, Australia
11. 4 Floor, 5-3, Eonju-ro 149-gil, Gangnam-gu, Seoul, Korea (the Republic of)
12. Lisbon Avenida da Liberdade, Avenida da Liberdade, 10, Lisbon, 1269-046, borough, Portugal
13. No 1851, Campus04, Canadia Tower 18/F, No 315 Monivong Blvd, Corner Ang Duong Street, 12202, Phnom Peng, Cambodia
14. 91, Rue du Faubourg Saint Honore, Paris, 75008, France
15. 44, Office 402, Bosque de Radiatas, Bosques de las Lomas, Cuajimalpa de Morelos, C.P. 05120, Mexico City, Mexico

**8. Debtors – amounts falling due after more than one year**

	31 December 2022 £'m	29 January 2022 £'m
Amounts owed by Group undertakings	-	29.0
	-	29.0

**9. Debtors – amounts falling due within one year**

	31 December 2022 £'m	29 January 2022 £'m
Amounts owed by Group undertakings	34.2	3.6
Other debtors	0.0	0.1
	34.2	3.7

Amounts owed by group undertakings are unsecured and are repayable on demand. Interest is charged at SONIA plus 1.5% plus a credit spread adjustment on the loan.

**C. & J. Clark (Services) Limited****Notes to the financial statements for the period ended 31 December 2022 (continued)****10. Creditors: amounts falling due within one year**

	<b>31 December 2022 £'m</b>	<b>29 January 2022 £'m</b>
Other creditors	0.1	0.0
	<b>0.1</b>	<b>0.0</b>

Amounts owed to group undertakings are unsecured and are repayable on demand.

**11. Called up share capital**

	<b>31 December 2022 £</b>	<b>29 January 2022 £</b>
Called up and fully paid: 2 Ordinary Shares of £1 each	2	2

**12. Controlling party**

The Company's immediate parent undertaking is C. & J. Clark (Holdings) Limited. The registered office is 40 High Street, Street, Somerset BA16 0EQ.

On 2 July 2022 Viva Goods Company Limited (previously known as Viva China Holdings Limited) became the controlling and ultimate parent company of the Clarks group when indirect subsidiary, Viva China Consumables Limited acquired 51% of the LionRock investment entity, LionRock Capital Partners QiLE Limited.

The largest group of undertakings for which group financial statement are drawn up and of which the company is a member is Viva Goods Company Limited (previously known as Viva China Holdings Limited). The address of the registered office is 2/F, PopOffice, 9 Tong Yin Street, Tseung Kwan O, New Territories, Hong Kong. Copies of the financial statements can be obtained from this address.

The smallest undertaking for which the company is a member and for which group financial statements are prepared is C&J Clark (No 1) Limited, which is incorporated in England. The registered office for C&J Clark (No 1) Limited is 40 High Street, Street, Somerset BA16 0EQ. Copies of its consolidated financial statements, which include the Company, are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.