

Cera Dynamics Limited

FINANCIAL STATEMENTS

30 December 2018

PAGES FOR FILING WITH REGISTRAR



Company Registration No. 01539197

Cera Dynamics Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Cera Dynamics Limited
STATEMENT OF FINANCIAL POSITION
at 30 December 2018

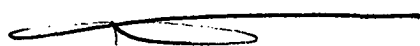
	Note	At 30 December 2018		At 31 December 2017	
		£	£	£	£
FIXED ASSETS					
Tangible assets	3		20,170		24,369
CURRENT ASSETS					
Stocks	4	184,414		178,295	
Debtors	5	535,932		82,218	
Cash at bank and in hand		156,984		117,765	
		877,330		378,278	
CREDITORS: amounts falling due within one year	6	(274,835)		(62,015)	
NET CURRENT ASSETS			602,495		316,263
TOTAL ASSETS LESS CURRENT LIABILITIES			622,665		340,632
PROVISIONS FOR LIABILITIES	7		(2,145)		(2,578)
NET ASSETS			620,520		338,054
CAPITAL AND RESERVES					
Called up share capital	8	10,000		10,000	
Profit and loss account		610,520		328,054	
TOTAL EQUITY			620,520		338,054

The directors of the company have elected not to include a copy of the Income Statement within the financial statements.

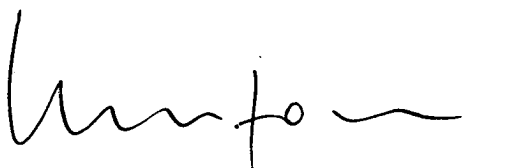
The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on

29th March 2019 and are signed on its behalf by:



JMA Fendek
Director



MK Jones
Director

Cera Dynamics Limited

ACCOUNTING POLICIES

GENERAL INFORMATION

Cera Dynamics Limited ("the Company") is a private Company limited by shares, domiciled and incorporated in England.

The address of the Company's registered office and principal place of business is Fountain Street, Fenton, Stoke-on-Trent, Staffordshire, ST4 2HB.

BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime, and under the historical cost convention. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

Monetary amounts are rounded to the nearest whole £1 except where otherwise indicated.

GOING CONCERN

The Company meets its day-to-day working capital requirements through an invoice discounting facility that is based on a 3 month rolling basis.

The Company's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the Company should be able to operate within the current level of the invoice discounting facility and bank facilities.

The directors, having assessed this dependency and from their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of Cera Dynamics Limited to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

FIXED ASSETS

Fixed assets are stated at cost and net of depreciation. Depreciation is provided by the Company to write off the cost, less the estimated residual value, of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Plant and machinery	-	10%
---------------------	---	-----

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

STOCKS

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the weighted average cost basis and for finished goods includes direct labour costs and overheads appropriate to the stage of manufacture.

At each reporting date, the Company assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

FUNCTIONAL AND PRESENTATIONAL CURRENCIES

The financial statements are presented in sterling which is also the functional currency of the Company.

Cera Dynamics Limited

ACCOUNTING POLICIES

FOREIGN CURRENCIES

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss.

TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods to external customers in the ordinary nature of the business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax.

Sale of glass ceramics and technical glasses

Turnover is recognised when it and the associated costs can be measured reliably, future economic benefits are probable, and the risks and rewards of ownership have been transferred to the customer. Sales of glass ceramics and technical glasses are recognised when goods are delivered and legal title has passed and the Company has no continuing managerial involvement associated with ownership or effective control of the goods sold. This is generally when goods have been checked and accepted by the customer.

GOVERNMENT GRANTS

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred.

Cera Dynamics Limited

ACCOUNTING POLICIES

FINANCIAL INSTRUMENTS

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade and group debtors

Trade and group debtors which are receivable within one year are still initially measured at the transaction price. Trade and group debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss. No provisions were held at the period ends.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Trade, group and other creditors

Trade, group and other creditors payable within one year are still initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar expenses.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

PROFIT AND LOSS RESERVE

The cumulative profit and loss net of distributions to owners.

DIVIDENDS

Dividends are recognised as liabilities once they are no longer at the discretion of the company.

Cera Dynamics Limited

NOTES TO THE FINANCIAL STATEMENTS for the 364 day period ended 30 December 2018

1 EMPLOYEES AND DIRECTORS' REMUNERATION

The number of directors employed by the Company is stated below and the employees utilised by the company during the period were employed under contract by James Kent (Ceramic Materials) Limited and the cost of these employees were recharged to the Company during the period.

The average number of persons during the period, analysed by category, was as follows:

	364 day period ended 30 December 2018 Number	364 day period ended 31 December 2017 Number
Production and laboratory	15	18
Directors	7	7
	<hr/>	<hr/>
	22	25
	<hr/>	<hr/>

The directors received no remuneration for services to the Company during the period (31 December 2017: £nil). The directors received remuneration for services to James Kent Consolidated Limited and James Kent (Ceramic Materials) Limited a group in which Cera Dynamics Limited is a subsidiary undertaking.

The remuneration of the directors is paid by James Kent Consolidated Limited and James Kent (Ceramic Materials) Limited. Cera Dynamics Limited is a member of the Group of companies headed by James Kent Consolidated Limited, however, the proportion attributable to the directors' services to Cera Dynamics Limited is not separately identifiable.

2 DIVIDENDS

Dividends of £120,000 were paid in the year at £12 per share (31 December 2017: £120,000 at £12 per share).

Cera Dynamics Limited
NOTES TO THE FINANCIAL STATEMENTS
for the 364 day period ended 30 December 2018

3 TANGIBLE FIXED ASSETS

	Plant and machinery £
<i>Cost</i>	
At beginning and end of period	209,985
<i>Depreciation</i>	
At beginning of period	185,616
Charge for the period	4,199
At end of period	189,815
<i>Carrying amount</i>	
At 30 December 2018	20,170
At 31 December 2017	24,369

4 STOCK

	At 30 December 2018 £	At 31 December 2017 £
Raw materials and consumables	95,094	88,127
Finished goods and goods for resale	88,876	90,168
Work in progress	444	-
	184,414	178,295

5 DEBTORS

	At 30 December 2018 £	At 31 December 2017 £
<i>Amounts due in less than one year:</i>		
Trade debtors	177,465	63,406
Prepayments and accrued income	8,553	-
Amounts owed from group undertakings	349,914	18,812
	535,932	82,218

Cera Dynamics Limited
NOTES TO THE FINANCIAL STATEMENTS
for the 364 day period ended 30 December 2018

6	CREDITORS: Amounts falling due within one year	At 30 December 2018 £	At 31 December 2017 £
	Amounts due to invoice discounter	74,691	14,988
	Trade creditors	33,372	9,542
	Amounts owed to group undertakings	2,339	21,957
	Other taxation and social security	51,571	8,015
	Accruals and deferred income	11,456	7,513
	Other creditors	10,440	-
	Corporation tax	90,966	-
		<u>274,835</u>	<u>62,015</u>

7 PROVISIONS FOR LIABILITIES

	Deferred taxation £
At beginning of period	2,578
Credit in period	(433)
At end of period	<u>2,145</u>

The amounts provided for deferred taxation are set out below:

	At 30 December 2018		At 31 December 2017	
	Provided £	Unprovided £	Provided £	Unprovided £
Difference between accumulated depreciation and amortisation and capital allowances	2,145	-	2,578	-

8	SHARE CAPITAL	At 30 December 2018 £	At 31 December 2017 £
	Allotted, called up and fully paid: 10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Cera Dynamics Limited

NOTES TO THE FINANCIAL STATEMENTS for the 364 day period ended 30 December 2018

9 CONTINGENT LIABILITIES

All group companies are members of a VAT group. At 30 December 2018 the VAT exposure of the VAT group excluding that of the Company was £nil (31 December 2017: £nil).

The Company has signed a cross guarantee to secure the bank indebtedness with National Westminster Bank Plc of James Kent (Ceramic Materials) Limited, KMCI Limited, James Kent Consolidated Limited, James Kent Group Limited, P.E. Hines Limited and Martin Colour Company Limited. At the period end the amount of bank indebtedness of James Kent (Ceramic Materials) Limited, KMCI Limited, Martin Colour Company Limited, P.E. Hines Limited and James Kent Consolidated Limited was £339,862 (31 December 2017: £nil).

National Westminster Bank Plc holds an unscheduled mortgage debenture incorporating a fixed and floating charge over all current and future assets of the Company.

HSBC Invoice Finance (UK) Limited holds a fixed and floating charge over all the assets of the Company.

HSBC Bank plc have a debenture dated 18 August 2010 over the assets of the Company.

The Company has a signed unlimited multilateral guarantee dated 22 June 2011 given by James Kent (Ceramic Materials) Limited, Martin Colour Company Limited, Cera Dynamics Limited, James Kent Consolidated Limited, James Kent Group Limited, P.E. Hines Limited and KMCI Limited with HSBC Bank plc.

At the period end the exposure of the Company was £74,188 (31 December 2017: £nil).

HSBC Bank plc also has a charge over contract monies.

10 ULTIMATE PARENT COMPANY

The Company is a wholly owned subsidiary of James Kent Consolidated Limited, a Company incorporated in the United Kingdom. Its registered address is Fountain Street, Fenton, Stoke-on-Trent, Staffordshire, ST4 2HB.

James Kent Consolidated Limited is the ultimate parent undertaking and is the largest and smallest Group for which consolidated accounts, including Cera Dynamics Limited, are prepared.

The consolidated financial statements of James Kent Consolidated Limited are available to the public from Companies House, Maindy, Cardiff, CF12 3UZ.

There is no ultimate controlling party.

12 AUDIT REPORT

As the Income Statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with S444 (5B) of the Companies Act 2006:

- The audit report was unqualified;
- The senior statutory auditor was Adam Krupski; and
- The auditor was RSM UK Audit LLP.