

**PORTMEIRION DISTRIBUTION LIMITED**

**Report and Financial Statements**

**31 December 2013**



# **PORTMEIRION DISTRIBUTION LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2013**

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# **PORTMEIRION DISTRIBUTION LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2013.

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

## **PRINCIPAL ACTIVITY**

The company is a member of the Portmeirion Group PLC group of companies.

On 11 July 2013, the company acquired the long leasehold interest, to expire in May 2156, of a 64,000 sq. ft. warehouse and offices located in Stoke-on-Trent for £3.9 million. The property was leased by Portmeirion Group UK Limited, the immediate parent company. Portmeirion Group UK Limited will continue to lease this building and the company will therefore receive rental income in the future.

Key performance indicators are not considered necessary for an understanding of the development, performance or position of the business of the company. There are no risks or uncertainties facing the company including those within the context of the use of financial instruments.

## **BUSINESS REVIEW, FUTURE PROSPECTS AND RESULTS**

The results of the company are set out on page 5.

The profit for the year was £111,945 (2012: £nil). The directors expect the company to continue trading profitably in the current year.

## **GOING CONCERN**

The company's business activities are set out above.

The company acts as a property company within the Portmeirion Group. At the year end the Group had cash balances of £6.2 million and had unutilised bank facilities with available funding of £4 million. Operating cash generation was strong during the year at £5.5 million (2012: £2.9 million). Overall cash reduced by £1.3 million despite the £3.9 million purchase of the long leasehold of warehouse and offices previously rented by the Group.

The Group sells into over 60 countries worldwide, has a spread of customers within its major UK and US markets, with adequate credit insurance cover in export markets where required. The Group manufactures approximately 45% of its products and sources the remainder from a range of third party suppliers.

After making enquiries, the directors have a reasonable expectation that the company and its parent Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

## **DIRECTORS**

The directors, who served throughout the year were as follows:

B W J Phillips

M J Knapper

## **DIRECTORS' INDEMNITIES**

The company has qualifying third party indemnity provisions for the benefit of its directors which remain in force at the date of this report.

## PORTMEIRION DISTRIBUTION LIMITED

### DIRECTORS' REPORT (continued)

#### AUDITORS


Mazars LLP have expressed their willingness to continue in office as auditors and they will be deemed reappointed as auditors in the absence of an AGM.

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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



B W J Phillips

Secretary

27 AUGUST 2014

# **PORTMEIRION DISTRIBUTION LIMITED**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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 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.

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PORTMEIRION DISTRIBUTION LIMITED**

We have audited the financial statements of Portmeirion Distribution Limited for the year ended 31 December 2013 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

## **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities set out on page 3, 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 (APB's) Ethical Standards for Auditors. 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.

## **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 the 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 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **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; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Paul Lucas (Senior Statutory Auditor)  
for and on behalf of Mazars LLP,  
Chartered Accountants and Statutory Auditors  
45 Church Street  
Birmingham  
B3 2RT



8 September 2014

# PORTMEIRION DISTRIBUTION LIMITED

## PROFIT AND LOSS ACCOUNT Year ended 31 December 2013

	Note	2013 £	2012 £
Turnover	3	145,164	-
Operating costs		(21,231)	-
		<hr/>	<hr/>
Operating profit	4	123,933	-
Net interest receivable		12	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation		123,945	-
Tax on profit on ordinary activities	5	(12,000)	-
		<hr/>	<hr/>
Profit for the financial year	11	111,945	-
		<hr/> <hr/>	<hr/> <hr/>

All activities derive from continuing operations.

# PORTMEIRION DISTRIBUTION LIMITED

## BALANCE SHEET

31 December 2013

	Note	2013 £	2013 £	2012 £	2012 £
<b>FIXED ASSETS</b>					
Land and buildings	6		3,852,514		-
			<u>3,852,514</u>		<u>-</u>
<b>CURRENT ASSETS</b>					
Debtors	7	-		254,618	
Cash at bank and in hand		52,763		-	
		<u>52,763</u>		<u>-</u>	
		52,763		254,618	
<b>CREDITORS: amounts falling due within one year</b>	8	(3,538,714)		-	
<b>NET CURRENT ASSETS</b>			(3,485,951)		254,618
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			366,563		254,618
<b>CREDITORS: amounts falling due after more than one year</b>	9		(60,233)		(60,233)
<b>NET ASSETS</b>			<u>306,330</u>		<u>194,385</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	10		100		100
Profit and loss account	11		306,230		194,285
<b>SHAREHOLDERS' FUNDS</b>	12		<u>306,330</u>		<u>194,385</u>

The financial statements of Portmeirion Distribution Limited, company registration number 2562207, were approved and authorised for issue by the Board of Directors on **27 AUGUST 2014**

Signed on behalf of the Board of Directors

  
B W J Phillips

Director



# PORTMEIRION DISTRIBUTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

### 1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the current year and the preceding year.

The going concern basis has been considered in the directors' report on page 1.

#### Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with United Kingdom Accounting Standards and applicable law.

#### Turnover

Turnover represents amounts receivable for rental income from operating leases recognised on a straight line basis over the term of the lease.

#### Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on temporary differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Temporary differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### Tangible fixed assets

Tangible fixed assets are stated at cost less provision for depreciation and any provision for impairment. Depreciation is provided on the straight-line method at rates calculated to write off the cost of the assets less their estimated residual value over their expected useful lives, as follows:

Leasehold land is not depreciated

Leasehold buildings 2% per annum

#### Related party transactions

The company has taken advantage of the exemption allowed to subsidiary companies under FRS 8 "Related Party Transactions" and therefore transactions with other Group companies are not disclosed separately.

#### Cash flow statement

The company has taken advantage of the exemption under FRS1 (revised) not to prepare a cash flow statement as the company is a wholly owned subsidiary undertaking of a parent company whose financial statements for the year ended 31 December 2013 include a consolidated cash flow statement.

### 2. INFORMATION REGARDING DIRECTORS, EMPLOYEES AND AUDITORS' REMUNERATION

The company has no employees (2012: nil). The directors received no remuneration for their services as directors to the company during the current and preceding years.

Auditors' remuneration for annual audit services, amounting to £500 (2012: £nil), has been borne by a fellow Group company. There are no non audit fees.

### 3. INCOME FROM PROPERTY RENTAL

	2013 £	2012 £
Property leased by Portmeirion Group UK Limited	145,164	-

# PORTMEIRION DISTRIBUTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2013

### 4. OPERATING PROFIT

	2013 £	2012 £
Operating profit is stated after charging:		
Depreciation of property	21,231	-

### 5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2013 £	2012 £
<b>Current tax</b>		
United Kingdom corporation tax at 23.25% (2012: 24.5%)	12,000	-
<b>Total tax on profit on ordinary activities</b>	12,000	-

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 23.25% (2012: 24.5%). The actual tax charge for the current and previous year varies from the standard rate for the reasons set out in the following reconciliation:

	2013 £	2012 £
Profit on ordinary activities before tax	123,945	-
Tax on profit on ordinary activities at standard rate	28,813	-
<i>Factors affecting tax charge:</i>		
Fixed asset timing differences	4,246	-
Small company relief	(4,024)	-
Group relief	(17,035)	-
Current year tax charge	12,000	-

### 6. FIXED ASSETS

	Leasehold land £	Leasehold buildings £	Total £
<b>Cost</b>			
Additions	1,326,000	2,547,745	3,873,745
At 31 December 2013	1,326,000	2,547,745	3,873,745
<b>Depreciation</b>			
Charge for the year	-	21,231	21,231
At 31 December 2013	-	21,231	21,231
<b>Net book value</b>			
At 31 December 2013	1,326,000	2,526,514	3,852,514
At 31 December 2012	-	-	-

# PORTMEIRION DISTRIBUTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2013

### 7. DEBTORS

	2013 £	2012 £
Amounts due from parent	-	254,618
	-	254,618

### 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Corporation tax	12,000	-
Other creditors	15,440	-
Amount owed to Portmeirion Group UK Limited	3,511,274	-
	3,538,714	-

### 9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013 £	2012 £
Loans from Portmeirion Group PLC	60,233	60,233

The ultimate parent company will not request repayment prior to 31 December 2014. No interest is charged on this loan.

### 10. CALLED UP SHARE CAPITAL

	2013 £	2012 £
Called up, allotted and fully paid 100 ordinary shares of £1 each	100	100

### 11. RESERVES

	Profit and loss account £
At 1 January 2013	194,285
Profit for the financial year	111,945
At 31 December 2013	306,230

# PORTMEIRION DISTRIBUTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2013

### 12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Profit for the financial year	111,945	-
Opening shareholders' funds	<u>194,385</u>	<u>194,385</u>
Closing shareholders' funds	<u><u>306,330</u></u>	<u><u>194,385</u></u>

### 13. ULTIMATE PARENT COMPANY

The ultimate parent and controlling company is Portmeirion Group PLC, a company incorporated in the UK and registered in England and Wales. Copies of the Group financial statements can be obtained from the Company Secretary at Portmeirion Group PLC, London Road, Stoke-on-Trent, Staffordshire ST4 7QQ.

The intermediate parent company is Portmeirion Group UK Limited, a company incorporated in the UK and registered in England and Wales.

The largest and smallest groups into which the results of the company are consolidated are that of Portmeirion Group PLC.