

**Company Registration No. 2562207**

**PORTMEIRION DISTRIBUTION LIMITED**

**Report and Financial Statements**

**31 December 2019**



**PORTMEIRION DISTRIBUTION LIMITED**  
**REPORT AND FINANCIAL STATEMENTS 2019**

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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 2019.

### **PRINCIPAL ACTIVITY**

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

The company owns the long leasehold interest in a warehouse and offices which it rents to Portmeirion Group UK Limited, its immediate parent company.

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

The results of the company are set out on page 6.

The profit for the year was £222,662 (2018: £220,453). The directors expect the company to continue trading profitably in the current year.

Key performance indicators are not considered necessary for an understanding of the development, performance or position of the business of the company.

#### **Acquisition of Nambé LLC**

On 16 July 2019, the Portmeirion Group acquired the entire membership interest of Nambé LLC for cash consideration of \$12 million. The membership interest was acquired by Portmeirion Group USA, Inc.

The acquisition was funded by way of a £10 million loan taken on 12 July 2019 by Portmeirion Group UK Limited. Nambé is a premium, branded US homewares business. Nambé's sales are largely concentrated in the US through wholesale channels, online and through eight retail stores across New Mexico and Arizona

### **DIVIDEND**

An interim dividend of £200,000 was paid in 2019 (2018: £200,000). The directors do not recommend the payment of a final dividend for 2019 (2018: £nil).

### **PRINCIPAL RISKS AND UNCERTAINTIES**

#### **Brexit**

Even though the UK has left the EU, the country is in a period of transition so the uncertainty around the implications of the EU exit remains a key economic risk to the group and company. The directors have assessed the impact of Brexit and put in place contingency planning to minimise the disruption to trade. The principal risks and uncertainties of Portmeirion Group PLC, which include those of the company, are discussed on page 21 of the group's annual report which does not form part of this report.

#### **Going Concern**

The company's business activities are set out above.

The directors' are of the opinion it is appropriate for the company to continue to adopt the going concern basis of accounting.

The company has net current liabilities, however has the support of its parent, therefore the going concern status of the company is integrated with the group. The going concern basis for the group has been considered further in the Strategic Report on page 24 of the consolidated financial statements of Portmeirion Group PLC.

#### **COVID-19**

Covid-19 has impacted the business and the full extent of the disruption on future trade is not fully known.

The directors' believe that the early and swift action taken to minimise cash burn during the Covid-19 crisis will put the group in a strong position to thrive once lockdown restrictions are lifted around the world. The directors expect the cash burn in Q2 2020 to be less than £1 million and the group's balance sheet remains strong with sufficient committed bank facilities and headroom. Therefore, the directors do not believe Covid-19 will impact the going concern of the group.

## **PORTMEIRION DISTRIBUTION LIMITED**

### **DIRECTORS' REPORT (continued)**

#### **DIRECTORS**

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

M J Knapper  
S L Pearce  
M T Raybould  
D Sproston (appointed 2 September 2019)

#### **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.

#### **AUDITORS**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Mazars LLP will therefore continue in office.

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/she ought to have taken as a director in order to make himself/herself 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.

#### **STATEMENT FOR SMALL COMPANIES**

In preparing this report, the directors have taken advantage of the small companies exemption provided by Section 415A of the Companies Act 2006.

The directors have also taken advantage of the small companies exemptions from preparing a strategic report provided by section 414B of the Companies Act 2006.

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



M MacDonald  
Secretary

## **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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 101 'Reduced Disclosure'.

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**

## **Opinion**

We have audited the financial statements of Portmeirion Distribution Limited (the 'company') for the year ended 31 December 2019 which comprise the Profit and Loss account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 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.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements**

In forming our opinion on the company's financial statements, which is not modified, we draw your attention to the directors' view on the impact of the COVID-19 as disclosed on page 1, and the consideration in the going concern basis of preparation on page 1 and non- adjusting post balance sheet events on page 15.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19, the potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy.

## **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Directors Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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

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

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

## **Responsibilities of Directors**

As explained more fully in the directors' responsibilities statement 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, and for such internal control as the directors 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.

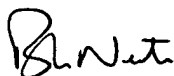
## **Auditor's responsibilities for the audit of the financial statements**

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 auditor's 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Use of the audit report**

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.



Robert Neate (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
The Pinnacle  
160 Midsummer Boulevard  
Milton Keynes  
MK9 1FF

30 September 2020

**PORTMEIRION DISTRIBUTION LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 2019**

	Note	2019	2018
		£	£
<b>Turnover</b>	4	<b>306,272</b>	306,271
Operating costs	5	<u>(50,955)</u>	<u>(50,955)</u>
<b>Operating profit</b>		<b>255,317</b>	255,316
Interest payable	6	<u>(33)</u>	<u>(35)</u>
<b>Profit on ordinary activities before taxation</b>		<b>255,284</b>	255,281
Tax on profit on ordinary activities	7	<u>(32,622)</u>	<u>(34,828)</u>
<b>Profit for the financial year</b>		<b><u>222,662</u></b>	<u>220,453</u>

All activities derive from continuing operations.



**PORTMEIRION DISTRIBUTION LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**Year ended 31 December 2019**

	2019	2018
	£	£
Profit for the financial year	222,662	220,453
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<b>222,662</b>	<b>220,453</b>

**PORTMEIRION DISTRIBUTION LIMITED**  
**BALANCE SHEET**  
**31 December 2019**

	Note	2019 £	2019 £	2018 £	2018 £
<b>FIXED ASSETS</b>					
Land and buildings	8		3,546,784		3,597,739
<b>CURRENT ASSETS</b>					
Cash at bank and in hand		668		25,236	
<b>CRÉDITORS: amounts falling due within one year</b>	9	<u>(2,997,770)</u>		<u>(3,095,955)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(2,997,102)</u>		<u>(3,070,719)</u>
<b>NET ASSETS</b>			<u>549,682</u>		<u>527,020</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	10		100		100
Profit and loss account	11		489,349		466,687
Capital contribution	11		<u>60,233</u>		<u>60,233</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>549,682</u>		<u>527,020</u>

The financial statements of Portmeirion Distribution Limited, company registration number 2562207, were approved and authorised for issue by the Board of Directors on 30 September 2020.

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

Signed on behalf of the Board of Directors



D Sproston  
Director

**PORTMEIRION DISTRIBUTION LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**31 December 2019**

	Note	Share capital £	Profit and loss account £	Capital contribution £	Total £
At 1 January 2018		100	446,234	60,233	506,567
Profit for the year		-	220,453	-	220,453
<b>Total comprehensive income for the year</b>		-	<b>220,453</b>	-	<b>220,453</b>
Dividends paid	12	-	(200,000)	-	(200,000)
<b>At 1 January 2019</b>		<b>100</b>	<b>466,687</b>	<b>60,233</b>	<b>527,020</b>
Profit for the year		-	222,662	-	222,662
<b>Total comprehensive income for the year</b>		-	<b>222,662</b>	-	<b>222,662</b>
Dividends paid	12	-	(200,000)	-	(200,000)
<b>At 31 December 2019</b>		<b>100</b>	<b>489,349</b>	<b>60,233</b>	<b>549,682</b>

# PORTMEIRION DISTRIBUTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

### 1. ACCOUNTING POLICIES

Portmeirion Distribution Limited is a private company limited by shares incorporated in England and Wales.

The principal accounting policies are summarised below. They have all been applied consistently for all years presented.

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

The address of the registered office is the same as the parent which is given in note 14. The nature of the company's operations and its principal activities are set out on page 1.

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

The ultimate parent company which produces true and fair consolidated accounts which includes the results of this company is Portmeirion Group PLC.

For the year ended 31 December 2019 the Company has prepared its annual financial statements in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

The company has applied the relevant disclosure exemptions available in FRS 101, in particular:

- IFRS 7 disclosures regarding financial instruments;
- IAS 1 requirement for full comparative information on property, plant and equipment and intangible assets;
- IAS 1 requirement to disclose the company's objectives, policies and processes for managing capital;
- IAS 7 production of a statement of cash flows;
- IAS 24 disclosure of related party transactions; and
- IFRS 16 disclosures regarding leases

In the current year, the company has applied a number of amendments to IFRS issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on 1 January 2019. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

The following new and revised standards and interpretations have also been adopted in the current year. Their adoption has not had any significant impact on the amounts reported in these financial statements but may impact the accounting for future transactions and arrangements:

	<b>EU effective date periods beginning on or after</b>
IFRS 16 'Leases'	1 January 2019
Amendments to IFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to IAS 28: Long-term interests in Associates and Joint Ventures	1 January 2019
Amendments to IAS 19: Plan Amendment, Curtailment or Settlement	1 January 2019
Annual improvements to IFRS 2015-2017 Cycle	1 January 2019
IFRIC 23 Uncertainty over Income Tax Treatments	1 January 2019

# PORTMEIRION DISTRIBUTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) 31 December 2019

### 1. ACCOUNTING POLICIES (continued)

At the date of authorisation of these financial statements, the company has not applied the following new and revised IFRS that have been issued but are not yet effective and (in some cases) had not yet been adopted by the EU:

	<b>EU effective date periods beginning on or after</b>
IFRS 17 'Insurance Contracts'	Not yet endorsed by the EU
Amendments to IFRS 3 'Business Combinations'	Not yet endorsed by the EU
Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest rate benchmark reform	1 January 2020
Amendments to IAS 1, classification of liabilities	Not yet endorsed by the EU

The Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the company in future periods.

#### **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

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

#### **Financial instruments**

Financial assets and financial liabilities are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

#### **Related party transactions**

The company has taken advantage of the exemption allowed to subsidiary companies under FRS101 and therefore transactions with other Group companies are not disclosed separately.

## PORTMEIRION DISTRIBUTION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued) 31 December 2019

#### 1. ACCOUNTING POLICIES (continued)

##### Consolidated financial statements

The company has not prepared consolidated financial statements under the exemption permitted by s400 of the Companies Act 2006 as its ultimate parent company, Portmeirion Group PLC, which is registered in England and Wales, prepares consolidated financial statements. These accounts therefore show information about the company and not of its group.

##### Cash flow statement

The company has taken advantage of the exemption under FRS101 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 2019 include a consolidated cash flow statement.

##### Going Concern

The Going Concern status of the company is disclosed in the Directors' Report on page 1.

#### 2. KEY ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The following are the key judgements that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

##### Fixed assets

The leasehold land and building disclosed in note 8 relates to property leased to Portmeirion Group UK Limited, the company's immediate parent. In preparing the financial statements the directors have reviewed the property for any indications that an impairment was required, with no evidence identified. The useful economic life of the property has also been assessed and remains appropriate at 50 years.

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

The company has no employees (2018: 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 (2018: £500), has been borne by a fellow Group company. There are no non audit fees.

#### 4. INCOME FROM PROPERTY RENTAL

	2019 £	2018 £
Property leased by Portmeirion Group UK Limited	<u>306,272</u>	<u>306,271</u>

#### 5. OPERATING PROFIT

	2019 £	2018 £
Operating profit is stated after charging:		
Depreciation of property	<u>50,955</u>	<u>50,955</u>

# **PORTMEIRION DISTRIBUTION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)** **31 December 2019**

### **6. INTEREST**

	2019 £	2018 £
Interest payable on bank deposits	33	35
Total interest payable	<u>33</u>	<u>35</u>

### **7. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2019 £	2018 £
<b>Current tax</b>		
United Kingdom corporation tax at 19% (2018: 19%)	32,622	34,828
<b>Total tax on profit on ordinary activities</b>	<u>32,622</u>	<u>34,828</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 19% (2018: 19%). The actual tax charge for the current and previous year varies from the standard rate for the reasons set out in the following reconciliation:

	2019 £	2018 £
Profit on ordinary activities before tax	255,284	255,281
Tax on profit on ordinary activities at standard rate	48,504	48,503
<i>Factors affecting tax charge:</i>		
Fixed asset timing differences	9,681	9,681
Adjustments in respect of prior years	(12,258)	(9,635)
Transfer pricing adjustment	(13,305)	(13,721)
Current year tax charge	<u>32,622</u>	<u>34,828</u>

### **8. FIXED ASSET**

	Long Leasehold land £	Long Leasehold buildings £	Total £
<b>Cost</b>			
At 1 January 2019 and 31 December 2019	1,326,000	2,547,745	3,873,745
<b>Depreciation</b>			
At 1 January 2019	-	276,006	276,006
Charge for the year	-	50,955	50,955
At 31 December 2019	-	326,961	326,961
<b>Net book value</b>			
At 31 December 2019	<u>1,326,000</u>	<u>2,220,784</u>	<u>3,546,784</u>
At 31 December 2018	<u>1,326,000</u>	<u>2,271,739</u>	<u>3,597,739</u>

**PORTMEIRION DISTRIBUTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**31 December 2019**

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Corporation tax	<b>22,648</b>	22,994
Taxation and social security	-	15,439
Amount owed to group undertakings	<b>2,975,122</b>	3,057,522
	<b><u>2,997,770</u></b>	<b><u>3,095,955</u></b>

The amounts owed to group undertakings are unsecured, interest free and repayable on demand.

**10. CALLED UP SHARE CAPITAL**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Called up, allotted and fully paid 100 ordinary shares of £1 each	<b>100</b>	100
	<b><u>100</u></b>	<b><u>100</u></b>

The company has one class of ordinary share which carries no right to fixed income.

**11. RESERVES**

Ordinary shares are classified as capital and reserves. The profit and loss account is the cumulative profits recognised by the company. The capital contribution reflects a long term loan from Portmeirion Group PLC.

**12. DIVIDENDS ON EQUITY SHARES**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Amounts recognised as distributions to equity holders in the year:		
Interim dividend of £2,000 per share	<b>200,000</b>	200,000
	<b><u>200,000</u></b>	<b><u>200,000</u></b>

The directors do not recommend a payment of a final dividend for 2019 (2018: £nil).



## **PORTMEIRION DISTRIBUTION LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)** **31 December 2019**

#### **13. CONTINGENT LIABILITY**

The company is party to a group finance agreement. During the 2019 financial year the group had four facilities:

- a) A £5,000,000 overdraft facility available until 31 August 2020. Interest is payable at 1.90% on the net pooled fund balance, plus bank base rate on net sterling borrowings.
- b) A £10,000,000 loan facility repayable in equal instalments over a five-year term until 4 May 2021. Interest is payable at an average 1.38% above three-month LIBOR. At the year end the outstanding balance was £3,000,000 which net of deferred facility fee costs of £26,000 left the balance sheet value of £2,974,000.
- c) A £10,000,000 loan facility repayable in 18 equal instalments starting January 2020, followed by a final instalment. Interest is payable at an average 1.90% above three-month LIBOR. At the year end the outstanding balance was £10,000,000 which net of deferred facility fee costs of £82,000 left the balance sheet value of £9,918,000.
- d) A £10,000,000 revolving credit facility available until 26 May 2022. Interest is payable at 1.75% above three-month LIBOR.

In April 2020, the group agreed to a six month capital repayment holiday which extended the term of loans b) and c) disclosed above by six months.

These facilities are secured by an unlimited debenture from material group subsidiaries and a first charge over company property. The net overdraft was being utilised at 31 December 2019 amounting to £581,000. The revolving credit facilities were not being utilised at 31 December 2019.

#### **14. 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.

#### **15. POST BALANCE SHEET EVENTS**

Covid-19 has impacted the business and the full extent of the disruption on future trade is not fully known, however, the Group is well placed to continue trading throughout this difficult period. Further information regarding the directors' assessment of Covid-19 is provided on page 1.