

Burgess & Leigh Limited

Directors' report and financial statements

for the year ended 31 December 2014

Registered number: 03820303



Company Information

Directors	Richard Eaton Christopher Emmott Sebastian Lazell (appointed 29 May 2015)
Company secretary	Robert Barton
Registered number	03820303
Registered office	Denby Pottery Denby Derbyshire DE5 8NX
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Melton Street Euston Square London NW1 2EP
Bankers	Bank of Scotland Butt Dyke House 33 Park Row Nottingham NG1 6GY
Solicitors	Wright Hassall LLP Olympus Avenue Leamington Spa Warwickshire CV34 6BF

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Directors' report

for the year ended 31 December 2014

The directors present their report and the financial statements of Burgess & Leigh Limited ('the company') for the year ended 31 December 2014.

Principal activities

The principal activity of the company is the retailing of premium quality casual tableware worldwide.

Business review

Turnover growth of 7% was achieved during the year with the strongest performance coming from the domestic market. There was further significant investment in the business by the parent company to help realise future sales and operational gains. There was a loss for the year after taxation of £842,000 (2013: loss £204,000).

The directors have prepared the financial statements on a going concern basis as the parent company has agreed to provide financial support to the company for at least twelve months from the date of approval of the accounts.

Key performance ratio	2014	2013
Gross margin	22.3%	23.4%

Directors

The directors who served during the year were:

Garry Biggs (resigned 17 December 2014)
Richard Eaton
Christopher Emmott
Sebastian Lazell (appointed 29 May 2015)

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 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; 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.

Directors' report

for the year ended 31 December 2014

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

This report was approved by the board on 29 June 2015 and signed on its behalf.



Sebastian Lazell
Director

Independent auditor's report to the members of Burgess & Leigh Limited
for the year ended 31 December 2014

We have audited the financial statements of Burgess & Leigh Limited for the year ended 31 December 2014, set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on 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.



Independent auditor's report to the members of Burgess & Leigh Limited
for the year ended 31 December 2014

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 prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.

Grant Thornton UK LLP

Marc Summers FCA (Senior statutory auditor)

for and on behalf of
Grant Thornton UK LLP

Chartered Accountants
Statutory Auditor

London

29 June 2015

Profit and loss account

for the year ended 31 December 2014

	Note	2014 £000	2013 £000
Turnover	1,2	2,391	2,232
Cost of sales		(1,859)	(1,713)
Gross profit		532	519
Selling and distribution costs		(147)	(97)
Administrative expenses		(1,223)	(621)
Operating loss	3	(838)	(199)
Interest payable and similar charges		(4)	(5)
Loss on ordinary activities before taxation		(842)	(204)
Tax on loss on ordinary activities		-	-
Loss for the financial year	8	(842)	(204)

The notes on pages 7 to 11 form part of these financial statements.

Balance sheet

as at 31 December 2014

	Note	£000	2014 £000	£000	2013 £000
Fixed assets					
Tangible assets	4		375		349
Current assets					
Stocks		221		652	
Debtors	5	445		419	
Cash at bank		19		18	
		<u>685</u>		<u>1,089</u>	
Creditors: amounts falling due within one year	6	<u>(3,004)</u>		<u>(2,540)</u>	
Net current liabilities			<u>(2,319)</u>		<u>(1,451)</u>
Net liabilities			<u>(1,944)</u>		<u>(1,102)</u>
Capital and reserves					
Called up share capital	7		-		-
Profit and loss account	8		<u>(1,944)</u>		<u>(1,102)</u>
Shareholder's deficit			<u>(1,944)</u>		<u>(1,102)</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 June 2015.



Sebastian Lazell
Director

The notes on pages 7 to 11 form part of these financial statements.

Notes to the financial statements

for the year ended 31 December 2014

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The principal accounting policies of the company have remained unchanged from the previous year.

1.2 Going concern

The financial statements have been prepared on a going concern basis as the company's parent undertaking, Denby Holdings Limited, has agreed to provide financial support to the company for at least twelve months from the date of approval of the accounts.

1.3 Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and machinery	-	15% straight line
Fixtures and fittings	-	15% straight line
Assets under construction	-	Depreciated from the date they are brought into use

1.6 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Notes to the financial statements

for the year ended 31 December 2014

1. Accounting policies (continued)

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

2. Turnover

31.8% of the company's turnover (2013 - 35.0%) is attributable to geographical markets outside the United Kingdom.

3. Operating loss

The operating loss is stated after charging:

	2014	2013
	£000	£000
Depreciation of tangible fixed assets:		
- owned by the company	59	38

During the year, no director received any emoluments (2013 - £NIL).

Notes to the financial statements
for the year ended 31 December 2014

4. Tangible fixed assets

	Plant and machinery £000	Fixtures and fittings £000	Assets under construction £000	Total £000
Cost				
At 1 January 2014	438	117	69	624
Additions	-	-	43	43
Disposals	(2)	-	-	(2)
Transfer between classes	13	139	(110)	42
At 31 December 2014	449	256	2	707
Depreciation				
At 1 January 2014	204	71	-	275
Charge for the year	36	23	-	59
On disposals	(2)	-	-	(2)
At 31 December 2014	238	94	-	332
Net book value				
At 31 December 2014	211	162	2	375
At 31 December 2013	234	46	69	349

5. Debtors

	2014 £000	2013 £000
Trade debtors	223	224
Amounts owed by group undertakings	213	162
Other debtors	9	33
	445	419

6. Creditors:
Amounts falling due within one year

	2014 £000	2013 £000
Finance facility	109	115
Trade creditors	180	139
Amounts owed to group undertakings	2,598	2,173
Other taxation and social security	74	80
Other creditors	43	33
	3,004	2,540

The finance facility relates to debts discounted with recourse and is secured by a fixed and floating charge over the assets of the company.

Notes to the financial statements

for the year ended 31 December 2014

6. Creditors: Amounts falling due within one year (continued)

On 28th January 2015 the existing finance facility was replaced with a similar facility from another provider. The new facility continues to be secured by a fixed and floating charge over the assets of the company and a guarantee of the borrowings over the facility of the other group companies remains in place. The interest cost of operating this facility on a like for like basis will not be materially different to the funding that it replaces.

7. Share capital

	2014 £000	2013 £000
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	-	-

8. Reserves

	Profit and loss account £000
At 1 January 2014	(1,102)
Loss for the financial year	(842)
At 31 December 2014	(1,944)

9. Contingent liabilities

Guarantees on behalf of group undertakings give rise to a contingent liability to the extent of all monies and other liabilities which are due to the company's asset finance providers. The maximum amount of contingency at the year end was £5,366,000 (2013: £5,619,000)

10. Capital commitments

The company had no capital commitments at 31 December 2014 or 31 December 2013.

11. Operating lease commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Equipment	
	2014 £000	2013 £000	2014 £000	2013 £000
Expiry date:				
Between 2 and 5 years	-	-	1	1
After more than 5 years	129	82	-	-
Total	129	82	1	1

Notes to the financial statements
for the year ended 31 December 2014

12. Related party transactions

The company has taken advantage of the exemptions in paragraph 16.2 of the FRSSE and has not disclosed transactions with wholly owned members of the group headed by Denby Holdings Limited.

There were no other related party transactions.

13. Ultimate parent undertaking and controlling party

At 31 December 2014, Burgess & Leigh Limited was a wholly owned subsidiary of Denby Holdings Limited, a company registered in England and Wales. Valco Capital Partners II Limited Partnership had a 77.5% shareholding in Denby Holdings Limited. Valco Capital Partners II Limited Partnership is 100% owned by Hilco London Limited, a company registered in England and Wales.

The directors consider the ultimate parent undertaking and controlling party of the company to be Hilco Trading, LLC, a company registered in the United States of America, by virtue of its majority shareholding in Hilco London Limited.

The largest group of undertaking for which group accounts have been drawn up is that headed by Hilco Trading, LLC and the smallest such group of undertakings, including the company, is that headed by Denby Holdings Limited.