

Company Registration No. 03981291 (England and Wales)

**THE ROYAL CROWN DERBY PORCELAIN
COMPANY LIMITED**

**UNAUDITED FINANCIAL STATEMENTS
FOR THE 7 MONTH PERIOD ENDED
31 DECEMBER 2022**

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THE ROYAL CROWN DERBY PORCELAIN COMPANY LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2022**

		December 2022		May 2022	
	Notes	£000	£000	£000	£000
Fixed assets					
Intangible assets	4		118		9
Tangible assets	5		94		93
			<u>212</u>		<u>102</u>
Current assets					
Stocks	6	1,407		1,384	
Debtors	7	712		635	
Cash at bank and in hand		589		809	
			<u>2,708</u>		<u>2,828</u>
Total assets			<u>2,920</u>		<u>2,930</u>
Liabilities					
Capital and reserves					
Called up share capital	10		11,050		11,050
Share premium account			2,078		2,078
Profit and loss reserves			(14,511)		(14,663)
			<u>(1,383)</u>		<u>(1,535)</u>
Creditors: amounts falling due within one year	8		527		604
Creditors: amounts falling due after more than one year	9		3,776		3,861
			<u>2,920</u>		<u>2,930</u>

THE ROYAL CROWN DERBY PORCELAIN COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2022

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

For the financial 7 month period ended 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

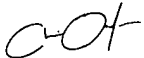
The members have not required the company to obtain an audit of its financial statements for the 7 month period in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

15/09/23

The financial statements were approved by the board of directors and authorised for issue on and are signed on its behalf by:



.....
C K Oakes

Director

THE ROYAL CROWN DERBY PORCELAIN COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 7 MONTH PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

The Royal Crown Derby Porcelain Company Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 194 Osmaston Road, Derby, England, DE23 8JZ.

Accounting convention

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") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. 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.

The financial statements are prepared in sterling, which is the functional currency of the company.

All amounts in the financial statements have been rounded to the nearest £1,000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

The financial statements for The Royal Crown Derby Porcelain Company Limited have been prepared on a going concern basis, which in the opinion of the Directors, is appropriate for the reasons set out below.

The company manufactures high quality fine bone china and supplies high-end retailers, luxury hotels and restaurants and Private Clients around the world. The company continues to enjoy strong demand across all sectors of operation but remains conscious of the external challenges affecting global trade. The business continues to benefit from making all of its products in its factory in the UK, giving both increased operational agility and market leading quality levels. This model offers a major point of differentiation and insulates against the ongoing turbulence in the global supply chain.

The company continues to make strong progress against its strategic objectives and continues to invest in order to invest in its factory, its products and its team. The plans that have been implemented in recent years have led to an increase in efficiency and overall production output and further strategies are underway to build upon this momentum.

Looking forward, the company has prepared detailed forecasts which the Directors consider to be achievable based upon current trading levels, the investments made in recent years and by continued monitoring and rationalisation of costs where appropriate. Furthermore, the company's market diversification and globalisation model, underpinned by an exciting pipeline of innovative, high quality product solutions creates further resilience to any fluctuations in demand as global markets recover.

The company continues to be dependent on the long term support of its major shareholder who has confirmed this facility.

Reporting period

The accounting period has been shortened to 7 months in the current period. As a result of this, the results presented are not directly comparable as the prior year is 12 months.

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.

The company has only one class of business being the manufacture, distribution and retailing of ceramic tableware, giftware and collectables.

THE ROYAL CROWN DERBY PORCELAIN COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 7 MONTH PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Sale of ceramic tableware, giftware and collectables.

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 ceramic tableware, giftware and collectables 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 on delivery at the specified location.

Intangible fixed assets - goodwill

Goodwill was capitalised and written off evenly over 30 years as in the opinion of the directors, this represented the period over which the goodwill was expected to give rise to economic benefits.

Intangible fixed assets other than goodwill

Intangible fixed assets, other than goodwill, are stated at cost less accumulated amortisation and impairment losses.

Amortisation is charged to the profit and loss on a straight-line basis over the estimated useful life of the intangible fixed asset. The estimated useful lives are as follows:

Software	5-10 years
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Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

Plant and equipment	2 to 20 years
Fixtures, fittings, tools and equipment	2 to 10 years

Subsequent costs, including replacement parts and major inspections, are capitalised only when it is probable that such costs will generate future economic benefits. Any replaced parts or remaining carrying amounts of previous inspections are then derecognised. All other costs of repairs and maintenance are charged to profit or loss as incurred.

Impairment of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the company estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in profit or loss.

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 and work in progress, includes direct labour costs and overheads appropriate to the stage of manufacture.

THE ROYAL CROWN DERBY PORCELAIN COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 7 MONTH PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

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.

Financial instruments

Trade and other debtors

Trade and other debtors (including accrued income) which are receivable within one period and which do not constitute a financing transaction are initially measured at the transaction price and 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.

Derecognition of financial assets

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.

Classification of financial liabilities

Financial liabilities and equity instruments are classified 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.

Trade and other creditors

Trade and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

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.

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. 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 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.

THE ROYAL CROWN DERBY PORCELAIN COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 7 MONTH PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Current and deferred tax is charged or credited in profit or loss.

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.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

All leases are operating leases and the annual rentals are charged to profit or loss on a straight line basis over the lease term.

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.

Grants relating to assets are classified as deferred income and recognised in income over the expected useful life of the asset to which they relate.

Grants towards revenue expenditure are released to profit and loss as the related expenditure is incurred.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) 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.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments.

2 Employees

The average monthly number of persons (including directors) employed by the company during the 7 month period was:

	December 2022 Number	May 2022 Number
Total	60	53

THE ROYAL CROWN DERBY PORCELAIN COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 7 MONTH PERIOD ENDED 31 DECEMBER 2022

3 Directors' remuneration

	December 2022 £000	May 2022 £000
Remuneration paid to directors	64	100

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (May 2022 - 1).

4 Intangible fixed assets

	Goodwill £000	Software £000	Total £000
Cost			
At 31 May 2022	9,671	38	9,709
Additions	-	110	110
At 31 December 2022	9,671	148	9,819
Amortisation and impairment			
At 31 May 2022	9,671	29	9,700
Amortisation charged for the 7 month period	-	1	1
At 31 December 2022	9,671	30	9,701
Carrying amount			
At 31 December 2022	-	118	118
At 30 May 2022	-	9	9

The amortisation is recognised in administrative expenses in the Statement of Comprehensive Income.

THE ROYAL CROWN DERBY PORCELAIN COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 7 MONTH PERIOD ENDED 31 DECEMBER 2022

5 Tangible fixed assets

	Plant and equipment £000	Fixtures, fittings, tools and equipment £000	Total £000
Cost			
At 31 May 2022	1,359	691	2,050
Additions	15	-	15
At 31 December 2022	1,374	691	2,065
Depreciation and impairment			
At 31 May 2022	1,285	672	1,957
Depreciation charged in the 7 month period	10	4	14
At 31 December 2022	1,295	676	1,971
Carrying amount			
At 31 December 2022	79	15	94
At 30 May 2022	74	19	93

6 Stocks

	December 2022 £000	May 2022 £000
Stocks	1,407	1,384

7 Debtors

	December 2022 £000	May 2022 £000
Amounts falling due within one year:		
Trade debtors	545	480
Corporation tax recoverable	96	69
Other debtors	71	86
	712	635

THE ROYAL CROWN DERBY PORCELAIN COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 7 MONTH PERIOD ENDED 31 DECEMBER 2022

8 Creditors: amounts falling due within one year

	December 2022 £000	May 2022 £000
Trade creditors	83	174
Taxation and social security	122	141
Other creditors	322	289
	<u>527</u>	<u>604</u>

9 Creditors: amounts falling due after more than one year

	December 2022 £000	May 2022 £000
Other creditors	3,776	3,861
	<u>3,776</u>	<u>3,861</u>

The company is party to a fixed and floating charge over specific assets of the company in favour of Acorn 59 Investments Limited as part of the security on other creditors reported above.

10 Called up share capital

	December 2022 Number	May 2022 Number	December 2022 £000	May 2022 £000
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	11,050,000	11,050,000	11,050	11,050
Ordinary share of 50p each	2	2	-	-
	<u>11,050,002</u>	<u>11,050,002</u>	<u>11,050</u>	<u>11,050</u>

11 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	December 2022 £000	May 2022 £000
Within one year	120	70
Between one and five years	110	-
	<u>230</u>	<u>70</u>

12 Related party transactions

During the period, repayments of £270,000 (30 May 2022: £50,000) were made to a company which is controlled by one of the owners and one of the company directors of the business. Interest of £192,000 (30 May 2022: £355,000) was charged in the period. These are the principal movements in the amount owing. As at 31 December 2022, £3,776,000 was owed to the related party (30 May 2022: £3,861,000).

THE ROYAL CROWN DERBY PORCELAIN COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 7 MONTH PERIOD ENDED 31 DECEMBER 2022

13 Parent company

The directors consider KG Oakes to be the ultimate controlling party.