

## **PCL Ceramics Limited**

Unaudited Financial Statements

Year Ended

30 November 2020

Company Number 04925633



## **PCL Ceramics Limited**

### **Company Information**

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<b>Directors</b>	C Journoux M Hamilton M Littlewood
<b>Company secretary</b>	M Hamilton
<b>Registered number</b>	04925633
<b>Registered office</b>	Riverside Industrial Estate Estuary Road King's Lynn Norfolk PE30 2HS
<b>Accountants</b>	BDO LLP 16 The Havens Ransomes Europark Ipswich Suffolk IP3 9SJ
<b>Bankers</b>	HSBC Bank Plc Meridian Way Meridian Business Park Norwich NR7 0TA

**PCL Ceramics Limited**

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## **PCL Ceramics Limited**

### **Chartered Accountants' Report to the Board of Directors on the Preparation of the Unaudited Financial Statements of PCL Ceramics Limited**

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In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of PCL Ceramics Limited for the year ended 30 November 2020 which comprise the Balance Sheet and the related notes from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/regulation/a-z>.

It is your duty to ensure that PCL Ceramics Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of PCL Ceramics Limited. You consider that PCL Ceramics Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of PCL Ceramics Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

#### **Use of our report**

This report is made solely to the board of directors of PCL Ceramics Limited, as a body, in accordance with the terms of our engagement letter dated 8 February 2019. Our work has been undertaken solely to prepare for your approval the accounts of PCL Ceramics Limited and state those matters that we have agreed to state to the board of directors of PCL Ceramics Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than PCL Ceramics Limited and its board of directors as a body for our work or for this report.

*BDO LLP*

**BDO LLP**  
*Chartered Accountants*  
Ipswich  
United Kingdom

Date: 30 June 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**PCL Ceramics Limited**  
Registered number: 04925633

**Balance Sheet**  
**As at 30 November 2020**

	Note	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets</b>					
Tangible assets	5		61,738		84,145
<b>Current assets</b>					
Stocks	6	388,478		374,221	
Debtors: amounts falling due within one year	7	918,646		963,022	
Cash at bank and in hand		2,697,537		1,725,290	
		<u>4,004,661</u>		<u>3,062,533</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	8	(1,635,017)		(1,194,994)	
<b>Net current assets</b>			<u>2,369,644</u>		<u>1,867,539</u>
<b>Total assets less current liabilities</b>			<u>2,431,382</u>		<u>1,951,684</u>
Creditors: amounts falling due after more than one year			(866,519)		-
<b>Provisions for liabilities</b>					
Deferred tax			(4,012)		(5,902)
<b>Net assets</b>			<u><u>1,560,851</u></u>		<u><u>1,945,782</u></u>
<b>Capital and reserves</b>					
Called up share capital			700,000		700,000
Profit and loss account			860,851		1,245,782
			<u><u>1,560,851</u></u>		<u><u>1,945,782</u></u>

**PCL Ceramics Limited**  
**Registered number: 04925633**

**Balance Sheet (continued)**  
**As at 30 November 2020**

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The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

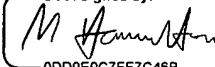
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30-Jun-2021

DocuSigned by:  
  
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**M Hamilton**  
Director

The notes on pages 4 to 11 form part of these financial statements.

# **PCL Ceramics Limited**

## **Notes to the Financial Statements For the Year Ended 30 November 2020**

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### **1. General information**

PCL Ceramics Limited is a private company limited by shares incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page.

### **2. Accounting policies**

#### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The Company has applied FRS 102 (March 2018) in these financial statements, which includes the amendments as a result of the Triennial Review 2017. The policies applied by the Company under the previous edition of FRS 102 are not materially different to FRS 102 (March 2018) and have not impacted on equity or profit or loss.

The following principal accounting policies have been applied:

#### **2.2 Going concern**

The directors of the Company are continually assessing the impact of COVID-19. The situation evolved rapidly over the last 12 months, however the directors believe that the negative effects that COVID-19 may have on the Company are limited, and not significant, given the nature of the Company's operations and the market the Company operates in. Therefore, the directors deem it appropriate to prepare the accounts on a going concern basis.

#### **2.3 Turnover**

Turnover is earned both from the sale of goods and from longer-term design and production of moulds. Turnover is recognised in both cases to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Design and production contracts, or elements of contracts, are accounted for on a percentage of completion basis, with the stage of completion being measured by reference to the proportion of costs incurred by the year end to total expected contract costs.

The following criteria must also be met before turnover is recognised in relation to the sale of goods:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

## **PCL Ceramics Limited**

### **Notes to the Financial Statements For the Year Ended 30 November 2020**

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#### **2. Accounting policies (continued)**

##### **2.4 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Plant and machinery	- 10 years
Fixtures and fittings	- 10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

##### **2.5 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### **2.6 Debtors**

Short term debtors are measured at transaction price, less any impairment.

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

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.



## **PCL Ceramics Limited**

### **Notes to the Financial Statements For the Year Ended 30 November 2020**

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#### **2. Accounting policies (continued)**

##### **2.8 Financial instruments**

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

##### **2.9 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### **2.10 Coronavirus Job Retention Grant**

The Coronavirus Job Retention Grant ("Furlough Scheme") is accounted under the accruals model as permitted by FRS102. Income received under the furlough scheme is recognised in the Statement of Income and Retained Earnings as other operating income in the same period as the related expenditure.

##### **2.11 Foreign currency translation**

###### **Functional and presentation currency**

The Company's functional and presentational currency is GBP.

###### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each year end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

##### **2.12 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

##### **2.13 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

## **PCL Ceramics Limited**

### **Notes to the Financial Statements For the Year Ended 30 November 2020**

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#### **2. Accounting policies (continued)**

##### **2.14 Pensions**

###### **Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

##### **2.15 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

## **PCL Ceramics Limited**

### **Notes to the Financial Statements For the Year Ended 30 November 2020**

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#### **3. Judgements in applying accounting policies and key sources of estimation uncertainty**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made are addressed below.

##### **Useful economic life of property, plant and equipment**

The annual depreciation charge for property, plant and equipment is sensitive to change in the estimated useful economic lives and residual values of the assets. The economic lives and residual values are reassessed annually and, where necessary, amended to reflect current conditions.

##### **Inventory provisioning**

The Company manufactures and sells product subject to the demands of the market in which it operates. As a result it is necessary to consider the recoverability of cost of inventory and the associated provisioning required. The Company considers the condition and age of the inventory using assumptions over the sale of finished goods and usage of raw materials in estimating the provision required.

##### **Impairment of debtors**

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors the directors consider factors including age, independent credit rating and historical experience.

#### **4. Employees**

The average monthly number of employees, including directors, during the year was 31 (2019 - 34).

# PCL Ceramics Limited

## Notes to the Financial Statements For the Year Ended 30 November 2020

### 5. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>			
At 1 December 2019	436,360	415,885	852,245
At 30 November 2020	436,360	415,885	852,245
<b>Depreciation</b>			
At 1 December 2019	352,215	415,885	768,100
Charge for the year	22,407	-	22,407
At 30 November 2020	374,622	415,885	790,507
<b>Net book value</b>			
At 30 November 2020	61,738	-	61,738
At 30 November 2019	84,145	-	84,145

### 6. Stocks

	2020 £	2019 £
Raw materials and consumables	257,148	229,896
Work in progress (goods to be sold)	15,369	40,649
Finished goods and goods for resale	115,961	103,676
	388,478	374,221

# PCL Ceramics Limited

## Notes to the Financial Statements For the Year Ended 30 November 2020

### 7. Debtors

	2020 £	2019 £
Trade debtors	847,015	877,027
Other debtors	49,280	68,971
Prepayments and accrued income	22,351	17,024
	<u>918,646</u>	<u>963,022</u>

### 8. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loan	133,481	-
Trade creditors	242,292	377,828
Amounts owed to group undertakings	2,465	-
Corporation tax	17,381	88,644
Other taxation and social security	26,816	28,507
Other creditors	1,173,486	637,255
Accruals and deferred income	39,096	62,760
	<u>1,635,017</u>	<u>1,194,994</u>

Amounts owed to group undertakings xxxx

### 9. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Bank loans	<u>866,519</u>	<u>-</u>

### 10. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
<b>Amounts falling due 1-2 years</b>		
Bank loans	<u>866,519</u>	<u>-</u>

# PCL Ceramics Limited

## Notes to the Financial Statements For the Year Ended 30 November 2020

### 11. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £129,735 (2019 - £138,517). Contributions totalling £10,323 (2019 - £12,471) were payable to the fund at the Balance Sheet date.

### 12. Commitments under operating leases

At 30 November 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following year:

	2020 £	2019 £
Not later than 1 year	62,713	7,140
Later than 1 year and not later than 5 years	217,661	7,140
	<u>280,374</u>	<u>14,280</u>

### 13. Controlling party

The ultimate parent undertaking is PCL Ceramics Holdings Limited by virtue of its shareholding in the Company.

By virtue of his direct shareholding and those held by his close family, the directors deem M Littlewood to be the ultimate controlling party.