

Background

Burleigh is a 150 year old, family run pottery based in Stoke-on-Trent, which still manufactures its products by hand using 200 year old techniques in Britain's last operational Victorian pottery.

The business had been forced into a Company Voluntary Arrangement in September 2008 following a major fraud committed by an employee. Despite marketing the business for sale for almost two years, the owners and KPMG had been unable to sell the business or its assets as a going concern and Burleigh was facing administration and an uncertain future. It was likely that the business would be forced to cease trading, leading to the loss of almost 50 skilled jobs and the closure of a unique heritage business of national importance.

Hilco's Role

Hilco Capital provided the finance and working capital needed to acquire the business and devised a revised restructuring proposal for the company's creditors. Following the acquisition, Hilco worked closely with Denby, another of its investments in the ceramics sector, and invested significant time and resources to implement the restructuring and ensure a successful turnaround.

From the outset, a senior Hilco team was allocated to take non-executive roles on Burleigh's board, acting as a sounding board for the management team and providing financial restructuring advice to negotiate a successful proposal for the company to exit the CVA.

Key Actions

Hilco provided emergency funding post-acquisition to stabilise the business while a revised proposal to creditors was devised to allow the business to exit the CVA. Following the approval of the proposal, Hilco worked with the company to agree the outstanding creditor claims and resolve disputed claims.

Burleigh has gained access to significant new sales channels in the UK, USA and Far East through its affiliation with Denby which will allow it to significantly increase sales to prestigious customers worldwide. Existing customers include Fortnum & Mason,

Harrods, John Lewis and Williams Sonoma. In order to satisfy the increase in demand, Burleigh worked with Denby's skilled operations team to double production and recruited additional staff who were trained in the pottery's highly skilled techniques.

In order to conserve Burleigh's historic Victorian pottery and traditional production techniques, Hilco liaised with a number of heritage bodies to secure additional grant income to ensure that Burleigh's unique site and products can be enjoyed by future generations. Most notably, in June 2011 Burleigh completed the sale and leaseback of its historic Middleport Pottery site to the Prince's Regeneration Trust, one of the charitable interests of HRH The Prince of Wales. The transaction facilitated £9 million of investment in renovating the site and transforming excess space into a world class visitor attraction and craft centre.

Results

The support of Hilco Capital, together with the Denby management team, secured approximately 50 skilled jobs and allowed the business to bring Burleigh's unique brand proposition to a wider audience. The company is thriving as Burleigh continues to develop as a niche British heritage brand while the future of its Middleport Pottery site has been secured thanks to an ambitious renovation scheme which completed in June 2014.



Key Facts

- › 150 year old pottery manufacturer
- › Last working Victorian pottery in Stoke-on-Trent, using 200 year old manufacturing techniques
- › Financial and operational restructuring in conjunction with Denby

Results

- › Preserved historically important business
- › Business well positioned for growth and benefitting from additional Hilco and Denby skills and expertise
- › Site renovated through historic agreement with the Prince's Regeneration Trust