

Company Registration number: 05760193

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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DARTINGTON CRYSTAL (TORRINGTON) LIMITED
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DARTINGTON CRYSTAL (TORRINGTON) LIMITED
COMPANY INFORMATION

Directors	P D Cullen N Hughes R Halliday J H Hammond MBE A Ramsay
Registered office	Dartington Crystal Town Park School Lane Torrington Devon EX38 7AN
Auditors	Albert Goodman LLP Mary Street House Mary Street Taunton Somerset TA1 3NW

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The Directors present their strategic report for the year ended 31 December 2015.

Principal activity

The principal activity of the company is the manufacture and distribution of fine crystal, glass stemware, giftware and ceramics under the brands of Dartington Crystal, Royal Brierley Crystal, Caithness Glass and John Beswick. In addition to this the group is the exclusive selling agent and distributor for Top Choice ceramics in the UK

Fair review of the business

In 2015 Dartington Crystal has continued to expand into new markets and has experienced further growth as it remains the UK's only large scale manufacturer of crystal and glass. It continues to benefit from its brand strength as a leader in the manufacture and distribution of high quality products and has again enjoyed a successful year across all markets.

The Company continues to produce from its manufacturing facilities in Torrington, North Devon, and Crieff, Central Scotland, and, through its Royal Brierley brand, remains the holder of two Royal Warrants servicing the households of Her Majesty the Queen and the Prince of Wales.

Turnover for the year increased by 13% to £12.004m with strong sales growth achieved in the luxury spirit brand, wine related and own retail sales channels. Sales to UK independent stores also showed good growth and this market, together with export, is also expected to show another strong year through 2016 as the brand profile continues to strengthen. The sales growth is also reflected in the group profit before tax, which has increased to £551k (2014 £184k).

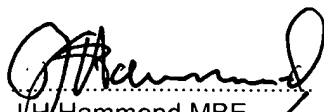
The strong trading performance has enabled the Company to benefit from much improved cash generation, including the full repayment of all bank and third party long term debt and a reported cash balance of £1.017m (2014 £478k). Total net assets of the group have risen from £1.517m to £2.123m.

The outlook for 2016 is positive, with another year of projected sales growth and profitability, and the Company has now formally committed to a further 15 years, plus significant investment, at the Torrington site following the signing of a new lease in April 2015.

Principal risks and uncertainties

The Company remains dependent upon the highly specialised skill sets of the production workers, particularly in glass blowing, and has increased its labour capacity in this area by over 10% during the year. On-going training and staff retention remain at the forefront of our policies to ensure that the skill levels throughout the business continue to be retained and improved.

Approved by the Board on 3 MAY 16 and signed on its behalf by:


J.H. Hammond MBE
Director

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The Directors present their report and the consolidated financial statements for the year ended 31 December 2015.

Directors of the Group

The directors who held office during the year were as follows:

P D Cullen

N Hughes

R Halliday

J H Hammond MBE

R Kindred (resigned 27 March 2015)

A Ramsay (appointed 1 January 2015)

Dividends

The directors do not recommend a final dividend in respect of the financial year ended 31 December 2015.

Financial instruments

Objectives and policies

The group's principal financial instruments at the year-end comprise bank balances, invoice and stock financing, trade creditors and debtors and loans provided to the company largely by shareholders. The main purpose of these instruments is to provide finance for the group's operations and growth. The group's approach to managing risks applicable to the financial instruments is detailed below.

Price risk, credit risk, liquidity risk and cash flow risk

The short term bank funding used by the company is at variable rates and therefore the group is subject to changes in interest rates charged by its bankers. Trade debtors are managed in respect of credit and cashflow with policies in place for credit offered to customers and regular monitoring of amounts outstanding. The group closely monitors and forecasts its cash flow so that availability of funds is managed, using the short term financial instruments available appropriately.

Disclosure of information to the auditor

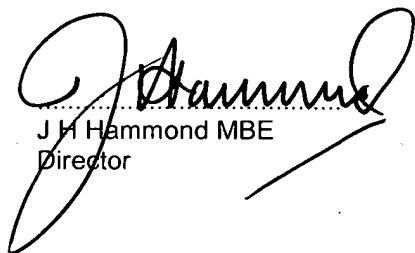
Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

Reappointment of auditors

The auditors Albert Goodman LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 3 MAY 16 and signed on its behalf by:



J H Hammond MBE
Director

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual 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 apply them consistently;
- make judgements 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 Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
INDEPENDENT AUDITOR'S REPORT

We have audited the financial statements of Dartington Crystal (Torrington) Limited for the year ended 31 December 2015, set out on pages 8 to 33. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Statement of Directors' Responsibilities (set out on page 5), 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 (APB's) Ethical Standards for Auditors to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the Company's affairs as at 31 December 2015 and of the Group's 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.

Opinion on other matter prescribed by the Companies Act 2006

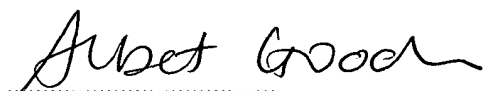
In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
INDEPENDENT AUDITOR'S REPORT

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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company 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



Alison Kerr FCA (Senior Statutory Auditor)
For and on behalf of Albert Goodman LLP, Statutory Auditor

Mary Street House
Mary Street
Taunton
Somerset
TA1 3NW

4 May 2016

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £	2014 £
Turnover	3	12,003,894	10,623,613
Cost of sales		<u>(7,084,259)</u>	<u>(6,450,224)</u>
Gross profit		4,919,635	4,173,389
Administrative expenses		(4,313,972)	(3,915,890)
Other operating income	4	<u>41,088</u>	<u>39,356</u>
Operating profit	5	646,751	296,855
Interest payable and similar charges	6	<u>(95,883)</u>	<u>(113,254)</u>
Profit before tax		550,868	183,601
Taxation	10	<u>55,146</u>	<u>(25,802)</u>
Profit for the financial year		<u>606,014</u>	<u>157,799</u>

The group has no recognised gains or losses for the year other than the results above.

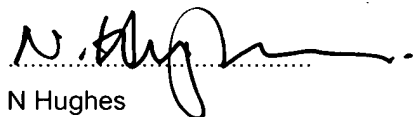
DARTINGTON CRYSTAL (TORRINGTON) LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £	2014 £
Profit for the year		<u>606,014</u>	<u>157,799</u>
Total comprehensive income for the year		<u><u>606,014</u></u>	<u><u>157,799</u></u>

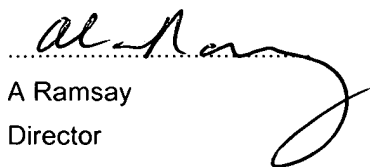
DARTINGTON CRYSTAL (TORRINGTON) LIMITED
(REGISTRATION NUMBER: 05760193)
CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
Fixed assets			
Intangible assets	11	224,474	324,269
Tangible assets	12	<u>222,972</u>	<u>235,521</u>
		<u>447,446</u>	<u>559,790</u>
Current assets			
Stocks	14	2,763,943	3,110,459
Debtors	15	1,665,856	1,332,003
Cash at bank and in hand		<u>1,017,467</u>	<u>478,399</u>
		5,447,266	4,920,861
Creditors: Amounts falling due within one year	17	<u>(3,105,451)</u>	<u>(3,269,149)</u>
Net current assets		<u>2,341,815</u>	<u>1,651,712</u>
Total assets less current liabilities		2,789,261	2,211,502
Creditors: Amounts falling due after more than one year	17	(638,395)	(664,675)
Provisions for liabilities		<u>(27,845)</u>	<u>(29,820)</u>
Net assets		<u>2,123,021</u>	<u>1,517,007</u>
Capital and reserves			
Called up share capital	19	221,140	221,140
Capital redemption reserve		157,038	157,038
Profit and loss account		<u>1,744,843</u>	<u>1,138,829</u>
Total equity		<u>2,123,021</u>	<u>1,517,007</u>

Approved and authorised by the Board on 3 MAY 16 and signed on its behalf by:



N Hughes
Director

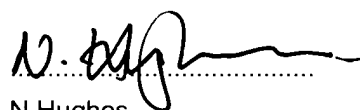


A Ramsay
Director

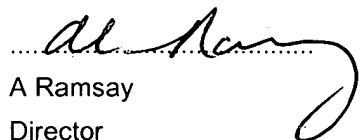
DARTINGTON CRYSTAL (TORRINGTON) LIMITED
(REGISTRATION NUMBER: 05760193)
BALANCE SHEET AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	12	222,972	235,521
Current assets			
Stocks	14	2,763,943	3,110,459
Debtors	15	1,904,748	1,663,121
Cash at bank and in hand		1,016,865	477,697
		<u>5,685,556</u>	<u>5,251,277</u>
Creditors: Amounts falling due within one year	17	<u>(3,170,989)</u>	<u>(3,269,599)</u>
Net current assets		<u>2,514,567</u>	<u>1,981,678</u>
Total assets less current liabilities		<u>2,737,539</u>	<u>2,217,199</u>
Creditors: Amounts falling due after more than one year	17	<u>(638,395)</u>	<u>(664,675)</u>
Provisions for liabilities		<u>(27,845)</u>	<u>(29,820)</u>
Net assets		<u><u>2,071,299</u></u>	<u><u>1,522,704</u></u>
Capital and reserves			
Called up share capital		221,140	221,140
Capital redemption reserve		157,038	157,038
Profit and loss account		<u>1,693,121</u>	<u>1,144,526</u>
Total equity		<u><u>2,071,299</u></u>	<u><u>1,522,704</u></u>

Approved and authorised by the Board on 3 MAR 16 and signed on its behalf by:



N Hughes
Director



A Ramsay
Director

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £	Total equity £
At 1 January 2015	221,140	157,038	1,138,829	1,517,007	1,517,007
Profit for the year	-	-	606,014	606,014	606,014
Total comprehensive income	-	-	606,014	606,014	606,014
At 31 December 2015	221,140	157,038	1,744,843	2,123,021	2,123,021
	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £	Total equity £
At 1 January 2014	221,140	157,038	981,030	1,359,208	1,359,208
Profit for the year	-	-	157,799	157,799	157,799
Total comprehensive income	-	-	157,799	157,799	157,799
At 31 December 2014	221,140	157,038	1,138,829	1,517,007	1,517,007

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2015	221,140	157,038	1,144,526	1,522,704
Profit for the year	-	-	548,595	548,595
Total comprehensive income	-	-	548,595	548,595
At 31 December 2015	221,140	157,038	1,693,121	2,071,299
	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2014	221,140	157,038	979,058	1,357,236
Profit for the year	-	-	165,468	165,468
Total comprehensive income	-	-	165,468	165,468
At 31 December 2014	221,140	157,038	1,144,526	1,522,704

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £	2014 £
Cash flows from operating activities			
Profit for the year		606,014	157,799
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	191,040	180,027
Finance costs	6	95,883	113,254
Income tax expense	10	(55,146)	25,802
		<u>837,791</u>	<u>476,882</u>
Working capital adjustments			
Decrease in stocks	14	346,516	159,751
(Increase)/decrease in trade and other debtors	15	(333,853)	15,407
Decrease in trade and other creditors	17	(101,195)	(249,977)
Cash generated from operations		<u>749,259</u>	<u>402,063</u>
Income taxes received/(paid)	10	<u>83,227</u>	<u>(67,250)</u>
Net cash flow from operating activities		<u>832,486</u>	<u>334,813</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(78,696)	(68,008)
Cash flows from financing activities			
Interest paid	6	(95,883)	(113,254)
Repayment of bank borrowing		(6,630)	(72,280)
Repayment of other borrowing		(112,209)	(191,059)
Payments to finance lease creditors		<u>-</u>	<u>(7,790)</u>
Net cash flows from financing activities		<u>(214,722)</u>	<u>(384,383)</u>
Net increase/(decrease) in cash and cash equivalents		539,068	(117,578)
Cash and cash equivalents at 1 January		<u>478,399</u>	<u>595,977</u>
Cash and cash equivalents at 31 December		<u>1,017,467</u>	<u>478,399</u>

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office and principal place of business is:

Dartington Crystal Town Park
School Lane
Torrington
Devon
EX38 7AN

These financial statements were authorised for issue by the Board on 3 May 2016.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The company transitioned to FRS102 as at 1 January 2014 and in accordance with the standard these are the first financial statements to be prepared that apply the new framework. There have been no recognition or measurement changes as a result of the transition.

The group has used £ Sterling as its presentational currency.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December 2015.

No profit and loss account is presented for the company as permitted by Section 408 of the Companies Act 2006. Its profit for the financial year was £548,595 (2014 - £165,468).

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

A subsidiary is an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the Group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the Company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Group's activities. Turnover is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the group.

The group recognises revenue for wholesale sales when goods are despatched to customers and for retail sales at the point of sale.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the Group. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible fixed assets

Tangible assets is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land and buildings	over the term of the lease
Plant and machinery	over 3 - 5 years straight line
Office equipment	over 3 - 5 years straight line
Fixtures, fittings and equipment	over 3 - 5 years straight line

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Negative goodwill arising on an acquisition is recognised on the face of the balance sheet on the acquisition date and subsequently the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered.

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	over 5 years straight line
Trademarks	over 5 years straight line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call 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 change in value.

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the debtors.

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using a weighted average method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

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Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Reserves

The profit and loss account reserve includes all current and prior period profits and losses.

The capital redemption reserve records the nominal value of shares repurchased by the company.

3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2015	2014
	£	£
Wholesale of goods	9,627,082	8,475,676
Retail sale of goods	2,376,812	2,147,937
	<u>12,003,894</u>	<u>10,623,613</u>

The analysis of the group's turnover for the year by market is as follows:

	2015	2014
	£	£
UK	11,373,435	9,881,919
Rest of world	630,459	741,694
	<u>12,003,894</u>	<u>10,623,613</u>

4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2015	2014
	£	£
Other income	<u>41,088</u>	<u>39,356</u>

5 Operating profit

Arrived at after charging/(crediting):

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	2015	2014
	£	£
Depreciation expense	91,245	80,222
Amortisation expense	99,795	99,805
Foreign exchange losses	(34,461)	(37,499)
Operating lease expense - plant and machinery	<u>18,011</u>	<u>20,650</u>

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6 Interest payable and similar charges

	2015	2014
	£	£
Interest on bank overdrafts and borrowings	43,879	39,140
Interest expense on other finance liabilities	52,004	74,114
	<u>95,883</u>	<u>113,254</u>

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2015	2014
	£	£
Wages and salaries	2,674,873	2,468,915
Social security costs	214,404	208,849
Pension costs, defined contribution scheme	54,089	51,373
Other employee expense	32,093	29,603
	<u>2,975,459</u>	<u>2,758,740</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2015	2014
	No.	No.
Production	57	56
Administration and support	36	37
Sales	55	53
	<u>148</u>	<u>146</u>

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8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2015	2014
	£	£
Remuneration	353,315	322,017
Contributions paid to money purchase schemes	16,311	15,825
	<u>369,626</u>	<u>337,842</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2015	2014
	No.	No.
Accruing benefits under money purchase pension scheme	<u>4</u>	<u>4</u>

In respect of the highest paid director:

	2015	2014
	£	£
Remuneration	112,593	90,681
Company contributions to money purchase pension schemes	<u>10,572</u>	<u>7,145</u>

9 Auditors' remuneration

	2015	2014
	£	£
Audit of these financial statements	<u>18,000</u>	<u>18,850</u>

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10 Taxation

Tax charged/(credited) in the income statement

	2015 £	2014 £
Current taxation		
UK corporation tax	62,447	32,391
UK corporation tax adjustment to prior periods	<u>(115,618)</u>	<u>(1,710)</u>
	(53,171)	30,681
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(1,975)</u>	<u>(4,879)</u>
Tax (receipt)/expense in the income statement	<u><u>(55,146)</u></u>	<u><u>25,802</u></u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2014 - the same as the standard rate of corporation tax in the UK) of 20.46% (2014 - 20.12%).

The differences are reconciled below:

	2015 £	2014 £
Profit before tax	<u>550,868</u>	<u>183,601</u>
Corporation tax at standard rate	112,708	36,941
Effect of expense not deductible in determining taxable profit (tax loss)	10,033	-
Increase (decrease) from effect of tax incentives	(180,773)	-
Tax increase (decrease) from other short-term timing differences	2,886	458
Tax increase (decrease) from effect of unrelieved tax losses carried forward	<u>-</u>	<u>(11,597)</u>
Total tax (credit)/charge	<u><u>(55,146)</u></u>	<u><u>25,802</u></u>

Deferred tax

Group and company

Deferred tax assets and liabilities

2015	Liability £
Accelerated capital allowances	<u><u>27,845</u></u>

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	Liability £
2014	
Accelerated capital allowances	<u>29,820</u>

11 Intangible assets

Group	Goodwill £	Trademarks £	Total £
Cost or valuation			
At 1 January 2015	<u>853,080</u>	<u>394,867</u>	<u>1,247,947</u>
At 31 December 2015	<u>853,080</u>	<u>394,867</u>	<u>1,247,947</u>
Amortisation			
At 1 January 2015	824,961	98,717	923,678
Amortisation charge	<u>7,669</u>	<u>92,126</u>	<u>99,795</u>
At 31 December 2015	<u>832,630</u>	<u>190,843</u>	<u>1,023,473</u>
Carrying amount			
At 31 December 2015	<u>20,450</u>	<u>204,024</u>	<u>224,474</u>
At 31 December 2014	<u>28,119</u>	<u>296,150</u>	<u>324,269</u>
Company		Goodwill £	Total £
Cost or valuation			
At 1 January 2015		<u>814,736</u>	<u>814,736</u>
At 31 December 2015		<u>814,736</u>	<u>814,736</u>
Amortisation			
At 1 January 2015		<u>814,736</u>	<u>814,736</u>
At 31 December 2015		<u>814,736</u>	<u>814,736</u>
Carrying amount			
At 31 December 2015		<u>-</u>	<u>-</u>
At 31 December 2014		<u>-</u>	<u>-</u>

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12 Tangible fixed assets

Group

	Short leasehold land and buildings £	Fixtures and fittings £	Office Equipment £	Plant and machinery £	Total £
Cost or valuation					
At 1 January 2015	-	163,514	195,882	416,771	776,167
Additions	19,209	1,631	3,761	54,095	78,696
At 31 December 2015	19,209	165,145	199,643	470,866	854,863
Depreciation					
At 1 January 2015	-	109,478	144,950	286,218	540,646
Charge for the year	854	17,185	26,227	46,979	91,245
At 31 December 2015	854	126,663	171,177	333,197	631,891
Carrying amount					
At 31 December 2015	18,355	38,482	28,466	137,669	222,972
At 31 December 2014	-	54,036	50,932	130,553	235,521

Restriction on title and pledged as security

Fixed assets with a carrying amount of £222,972 (2014 - £235,521) has been pledged as security for bank and other borrowings.

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Company

	Short leasehold land and buildings £	Fixtures and fittings £	Office Equipment £	Plant and machinery £	Total £
Cost or valuation					
At 1 January 2015	-	163,514	193,621	416,771	773,906
Additions	19,209	1,631	3,761	54,095	78,696
At 31 December 2015	19,209	165,145	197,382	470,866	852,602
Depreciation					
At 1 January 2015	-	109,478	142,689	286,218	538,385
Charge for the year	854	17,185	26,227	46,979	91,245
At 31 December 2015	854	126,663	168,916	333,197	629,630
Carrying amount					
At 31 December 2015	18,355	38,482	28,466	137,669	222,972
At 31 December 2014	-	54,036	50,932	130,553	235,521

Restriction on title and pledged as security

Fixed assets with a carrying amount of £222,972 (2014 - £235,521) has been pledged as security for bank and other borrowings.

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13 Investments

Group

Details of undertakings

Details of the investments in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2015	2014
Subsidiary undertakings				
Beswick Limited*	England	Ordinary	100%	100%

* indicates direct investment of the company

Subsidiary undertakings

The principal activity of Beswick Limited is holding of trademarks and similar items for use within the group.

14 Stock

	2015 £	Group 2014 £	2015 £	Company 2014 £
Raw materials and consumables	402,885	408,701	402,885	408,701
Finished goods and goods for resale	<u>2,361,058</u>	<u>2,701,758</u>	<u>2,361,058</u>	<u>2,701,758</u>
	<u>2,763,943</u>	<u>3,110,459</u>	<u>2,763,943</u>	<u>3,110,459</u>

Group

The cost of stocks recognised as an expense in the year amounted to £6,913,270 (2014 - £6,278,504).

The carrying amount of stocks pledged as security for liabilities amounted to £2,763,943 (2014 - £3,110,459).

Company

The cost of stocks recognised as an expense in the year amounted to £5,671,809 (2014 - £5,125,447).

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15 Debtors

	2015 £	Group 2014 £	2015 £	Company 2014 £
Trade debtors	1,497,554	1,138,313	1,497,554	1,138,313
Amounts owed by group undertakings	-	-	239,018	331,244
Other debtors	126	126	-	-
Prepayments	168,176	193,564	168,176	193,564
Total current trade and other debtors	<u>1,665,856</u>	<u>1,332,003</u>	<u>1,904,748</u>	<u>1,663,121</u>

16 Cash and cash equivalents

	2015 £	Group 2014 £	2015 £	Company 2014 £
Cash on hand	6,291	6,291	6,291	6,291
Cash at bank	1,011,176	472,108	1,010,574	471,406
	<u>1,017,467</u>	<u>478,399</u>	<u>1,016,865</u>	<u>477,697</u>

17 Creditors

	Note	2015 £	Group 2014 £	2015 £	Company 2014 £
Due within one year					
Loans and borrowings	20	-	92,559	-	92,559
Trade creditors		1,312,281	997,560	1,312,281	997,560
Social security and other taxes		584,028	542,200	584,478	542,650
Other creditors		775,158	1,430,315	775,158	1,430,315
Accrued expenses		371,537	174,124	371,537	174,124
Income tax liability	10	62,447	32,391	127,535	32,391
		<u>3,105,451</u>	<u>3,269,149</u>	<u>3,170,989</u>	<u>3,269,599</u>
Due after one year					
Loans and borrowings	20	<u>638,395</u>	<u>664,675</u>	<u>638,395</u>	<u>664,675</u>

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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18 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £54,089 (2014 - £51,373).

19 Share capital

Allotted, called up and fully paid shares

	No.	2015 £	No.	2014 £
Ordinary Shares of £0.50 each	402,074	201,037	402,074	201,037
'B' Ordinary Shares of £0.50 each	32,906	16,453	32,906	16,453
'C' Ordinary Shares of £0.05 each	73,000	3,650	73,000	3,650
	<u>507,980</u>	<u>221,140</u>	<u>507,980</u>	<u>221,140</u>

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
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20 Loans and borrowings

	2015 £	Group 2014 £	2015 £	Company 2014 £
Non-current loans and borrowings				
Other borrowings	638,395	664,675	638,395	664,675
	2015 £	Group 2014 £	2015 £	Company 2014 £
Current loans and borrowings				
Bank borrowings	-	6,630	-	6,630
Unsecured debentures	-	5,667	-	5,667
Other borrowings	-	80,262	-	80,262
	-	92,559	-	92,559

Group and company

Bank borrowings

Included in the above is a bank loan £Nil (2014 £6,630) which is denominated in sterling with a nominal interest rate of 5.3% and the final instalment was paid on the 31 March 2015. The bank loan was secured by a debenture over the assets of the company and a guarantee from a director for £350,000 (2014: £350,000).

The stock finance and debtor finance accounts, which are included in other creditors within note 16 amount to £763,429 (2014 £1,419,083) are denominated in sterling with a nominal interest rate of 2.5% and are secured on the stock and debtors respectively.

Other borrowings

Other borrowings with a carrying amount of £638,395 (2014 - £664,675) are denominated in sterling, unsecured and interest free. These borrowings are not repayable until the company is sold to a third party.

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21 Obligations under leases and hire purchase contracts

Group

Operating leases

The total of future minimum lease payments is as follows:

	2015	2014
	£	£
Not later than one year	254,623	212,531
Later than one year and not later than five years	934,500	57,786
Later than five years	<u>2,547,318</u>	<u>-</u>
	<u>3,736,441</u>	<u>270,317</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £212,531 (2014 - £221,128).

Company

Operating leases

The total of future minimum lease payments is as follows:

	2015	2014
	£	£
Not later than one year	254,623	212,531
Later than one year and not later than five years	934,500	57,786
Later than five years	<u>2,547,318</u>	<u>-</u>
	<u>3,736,441</u>	<u>270,317</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £212,531 (2014 - £221,128).

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
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22 Related party transactions

Group

Key management personnel

The total remuneration for key management personnel is:

	2015	2014
	£	£
Salaries and other short term employee benefits	<u>406,489</u>	<u>370,108</u>

Summary of transactions with key management

Group and company

Transactions with directors

A director provided loans to Dartington Crystal (Torrington) Ltd amounting to £318,395 (2014 - £406,530).

23 Financial instruments

Group and company

Categorisation of financial instruments

	2015	2014
	£	£
Financial assets measured at amortised cost	<u>2,515,021</u>	<u>1,616,712</u>
Financial liabilities measured at amortised cost	<u>3,033,776</u>	<u>3,901,433</u>