

Registration number: 05760193

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

TUESDAY



A4G0D43V

A22

15/09/2015

#338

COMPANIES HOUSE

DARTINGTON CRYSTAL (TORRINGTON) LIMITED

CONTENTS

| | Page |
|--|-------------|
| Company Information | 1 |
| Strategic Report | 2 |
| Directors' Report | 3 to 4 |
| Statement of Directors' Responsibilities | 5 |
| Independent Auditor's Report | 6 to 7 |
| Consolidated Profit and Loss Account | 8 |
| Consolidated Balance Sheet | 9 |
| Balance Sheet | 10 |
| Consolidated Cash Flow Statement | 11 to 12 |
| Notes to the Financial Statements | 13 to 28 |

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 2014

The directors present their strategic report for the year ended 31 December 2014.

Business review

Fair review of the business

Dartington Crystal continues to strengthen its market share and brand position as a leader in the manufacture and distribution of high quality crystal and glass, with further growth in its UK customer account base during the year. At the same time it has continued to enjoy a strong position with the UK's leading department stores.

Dartington maintains its unique status as Britain's last remaining large scale manufacturer of crystal and glass at its sites in Torrington, North Devon, and Crieff, Central Scotland. The year has seen further integration of the Beswick and Top Choice brands into the overall product portfolio.

The Company holds two Royal Warrants to service the households of both Her Majesty the Queen and the Prince of Wales through the Royal Brierley brand and is actively fostering the benefits that these prestigious relationships can offer.

Turnover for the year was £10,623k (compared to £11,047k in 2013) with the expected short term decline in the luxury spirits market. The result however represented strong sales activity which exceeded budget expectations. There was very strong growth in revenues from on-line retail, wine related business and UK independent stores, and the Company continued its investment in building a brand profile in export markets, particularly in the United States. Group profit before tax was £184k (2013 £388k), after allowing for non – recurring charges of £351k.

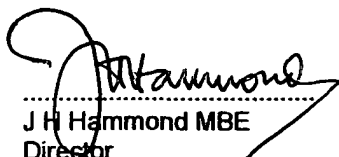
The strong trading performance enabled the Company to continue to service and pay down its long term debt, with a further £235k of loans and borrowings repaid. Total net assets of the group have increased from £1,359k to £1,517k.

Despite continuing difficult economic conditions, the Company continues to perform well in all market channels, and a good level of growth in turnover and profit is projected for 2015.

Principal risks and uncertainties

The group remains dependent upon the highly specialist skill sets of the production workers, particularly in the glass blowing arena, and on-going training and staff retention policy continues to be implemented by the group in order to retain and improve the skills currently to hand. We are able to mitigate this pressure to an extent by continued implementation of our strategic purchasing policies.

Approved by the Board on 7th Sep 15 and signed on its behalf by:



J H Hammond MBE
Director

DARTINGTON CRYSTAL (TORRINGTON) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and the consolidated financial statements for the year ended 31 December 2014.

Directors of the company

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

P D Cullen

N Hughes

R Halliday

J H Hammond MBE

P Hill (Resigned 31 July 2014)

R Kindred (Resigned 27 March 2015)

The following director was appointed after the year end:

A Ramsay (appointed 1 January 2015)

Principal activity

The principal activity of the group 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.

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

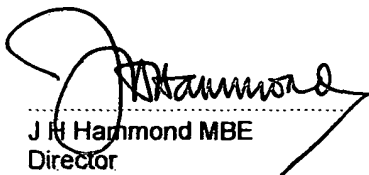
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and which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

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

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 7-SEP-15 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 group and the company and of the profit or loss of the group 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DARTINGTON CRYSTAL (TORRINGTON) LIMITED

We have audited the financial statements of Dartington Crystal (Torrington) Limited for the year ended 31 December 2014, set out on pages 8 to 28. 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.

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 group's and parent 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 Strategic Report and Directors' 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.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DARTINGTON CRYSTAL (TORRINGTON) LIMITED**

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2014 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 the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



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

10 September 2015

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31
DECEMBER 2014

| | Note | 2014 £ | 2013 £ |
|---|------|--------------------|--------------------|
| Turnover | | 10,623,613 | 11,046,738 |
| Cost of sales | | <u>(6,450,224)</u> | <u>(6,867,888)</u> |
| Gross profit | | 4,173,389 | 4,178,850 |
| Administrative expenses | | (3,915,890) | (3,713,039) |
| Other operating income | | <u>39,356</u> | <u>44,874</u> |
| Group operating profit | 2 | 296,855 | 510,685 |
| Interest payable and similar charges | 6 | <u>(113,254)</u> | <u>(122,818)</u> |
| Profit on ordinary activities before taxation | | 183,601 | 387,867 |
| Tax on profit on ordinary activities | 7 | <u>(25,802)</u> | <u>(85,269)</u> |
| Profit for the financial year attributable to members of the parent company | 17 | <u>157,799</u> | <u>302,598</u> |

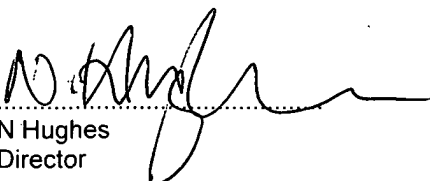
Turnover and operating profit derive wholly from continuing operations.

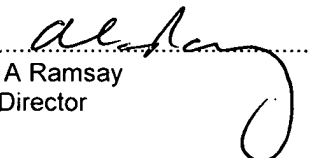
The group has no recognised gains or losses for the year other than the results above.

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2014

| | Note | 2014 £ | 2013 £ |
|---|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Intangible fixed assets | 8 | 324,269 | 424,074 |
| Tangible fixed assets | 9 | <u>235,521</u> | <u>247,735</u> |
| | | <u>559,790</u> | <u>671,809</u> |
| Current assets | | | |
| Stocks | 11 | 3,110,459 | 3,270,210 |
| Debtors | 12 | 1,332,003 | 1,347,410 |
| Cash at bank and in hand | | <u>478,399</u> | <u>595,977</u> |
| | | <u>4,920,861</u> | <u>5,213,597</u> |
| Creditors: Amounts falling due within one year | 13 | <u>(3,269,149)</u> | <u>(3,702,402)</u> |
| Net current assets | | <u>1,651,712</u> | <u>1,511,195</u> |
| Total assets less current liabilities | | <u>2,211,502</u> | <u>2,183,004</u> |
| Creditors: Amounts falling due after more than one year | 14 | (664,675) | (789,097) |
| Provisions for liabilities | 15 | <u>(29,820)</u> | <u>(34,699)</u> |
| Net assets | | <u><u>1,517,007</u></u> | <u><u>1,359,208</u></u> |
| Capital and reserves | | | |
| Called up share capital | 16 | 221,140 | 221,140 |
| Capital redemption reserve | 17 | 157,038 | 157,038 |
| Profit and loss account | 17 | <u>1,138,829</u> | <u>981,030</u> |
| Shareholders' funds | 18 | <u><u>1,517,007</u></u> | <u><u>1,359,208</u></u> |

Approved by the Board on 7-5-15 and signed on its behalf by:


 N Hughes
 Director

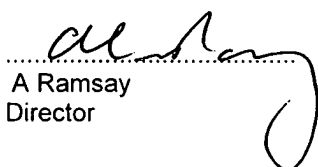

 A Ramsay
 Director

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
(REGISTRATION NUMBER: 05760193)
BALANCE SHEET AT 31 DECEMBER 2014

| | Note | 2014 £ | 2013 £ |
|---|------|-------------|-------------|
| Fixed assets | | | |
| Tangible fixed assets | 9 | 235,521 | 247,735 |
| Current assets | | | |
| Stocks | 11 | 3,110,459 | 3,270,210 |
| Debtors | 12 | 1,663,121 | 1,770,754 |
| Cash at bank and in hand | | 477,697 | 595,640 |
| | | 5,251,277 | 5,636,604 |
| Creditors: Amounts falling due within one year | 13 | (3,269,599) | (3,703,307) |
| Net current assets | | 1,981,678 | 1,933,297 |
| Total assets less current liabilities | | 2,217,199 | 2,181,032 |
| Creditors: Amounts falling due after more than one year | 14 | (664,675) | (789,097) |
| Provisions for liabilities | 15 | (29,820) | (34,699) |
| Net assets | | 1,522,704 | 1,357,236 |
| Capital and reserves | | | |
| Called up share capital | 16 | 221,140 | 221,140 |
| Capital redemption reserve | 17 | 157,038 | 157,038 |
| Profit and loss account | 17 | 1,144,526 | 979,058 |
| Shareholders' funds | 18 | 1,522,704 | 1,357,236 |

Approved by the Board on 7-5-15 and signed on its behalf by:


 N Hughes
 Director


 A Ramsay
 Director

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER
2014

Reconciliation of operating profit to net cash flow from operating activities

| | 2014 | 2013 |
|---|----------------|---------------|
| | £ | £ |
| Operating profit | 296,855 | 510,685 |
| Depreciation, amortisation and impairment charges | 180,027 | 65,918 |
| Decrease/(increase) in stocks | 159,751 | (824,343) |
| Decrease/(increase) in debtors | 15,407 | (237,249) |
| (Decrease)/increase in creditors | (249,977) | 579,592 |
| Net cash inflow from operating activities | <u>402,063</u> | <u>94,603</u> |

Cash flow statement

| | 2014 | 2013 |
|---|------------------|------------------|
| | £ | £ |
| Net cash inflow from operating activities | <u>402,063</u> | <u>94,603</u> |
| Returns on investments and servicing of finance | | |
| HP and finance lease interest | - | (873) |
| Interest paid | (113,254) | (121,945) |
| | <u>(113,254)</u> | <u>(122,818)</u> |
| Tax paid | (67,250) | (113,370) |
| Capital expenditure and financial investment | | |
| Purchase of tangible fixed assets | (68,008) | (125,307) |
| Acquisitions and disposals | | |
| Acquisition of investments in subsidiary undertakings | - | (1) |
| Net cash acquired with subsidiary | - | (337) |
| | <u>-</u> | <u>(338)</u> |
| Net cash inflow/(outflow) before management of liquid resources and financing | <u>153,551</u> | <u>(267,230)</u> |
| Financing | | |
| Value of new loans obtained during the period | - | 692,274 |
| Repayment of loans and borrowings | (235,008) | (251,598) |
| Repayment of capital element of finance leases and HP contracts | (7,790) | (8,499) |
| Repayment of debenture loans | (28,331) | (17,002) |
| | <u>(271,129)</u> | <u>415,175</u> |
| (Decrease)/increase in cash | <u>(117,578)</u> | <u>147,945</u> |

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER
2014

Reconciliation of net cash flow to movement in net debt

| | Note | 2014 £ | 2013 £ |
|---|-------------|-------------------------|-------------------------|
| (Decrease)/increase in cash | | (117,578) | 147,945 |
| Cash inflow from increase in loans | | - | (692,274) |
| Cash outflow from repayment of loans | | 235,008 | 251,598 |
| Cash outflow from repayment of capital element of finance leases and hire purchase contracts | | 7,790 | 8,499 |
| Cash outflow from decrease in other debt | | <u>28,331</u> | <u>17,002</u> |
| Change in net debt resulting from cash flows | 21 | <u>153,551</u> | <u>(267,230)</u> |
| Movement in net debt | 21 | 153,551 | (267,230) |
| Net debt at 1 January | 21 | <u>(432,386)</u> | <u>(165,156)</u> |
| Net debt at 31 December | 21 | <u><u>(278,835)</u></u> | <u><u>(432,386)</u></u> |

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2014.

Subsidiary undertakings are included using the acquisitions method of accounting. Under this method the group profit and loss account and statement of cashflows include the results and cashflows of subsidiaries from the date of acquisition and to the date of sale outside the group in the case of disposals of subsidiaries. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

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 £165,468 (2013 - £300,626).

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

Goodwill

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

If a subsidiary, associate or business is subsequently sold or closed, any goodwill arising on acquisition that was written off directly to reserves or that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale or closure.

Amortisation

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

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

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

| Asset class | Depreciation method and rate |
|----------------------------------|-------------------------------------|
| Plant and machinery | over 5 years straight line |
| Office equipment | over 3 - 5 years straight line |
| Fixtures, fittings and equipment | over 5 years straight line |

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Foreign currency

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pensions

The group operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

2 Operating profit

Operating profit is stated after charging:

| | 2014 £ | 2013 £ |
|---|------------------|------------------|
| Operating leases - plant and machinery | 20,650 | 40,354 |
| Operating leases - other assets | 233,060 | 234,401 |
| Foreign currency (gains)/losses | (37,499) | 12,269 |
| Depreciation of owned assets | 80,222 | 51,682 |
| Depreciation of assets held under finance lease and hire purchase contracts | - | 5,099 |
| Amortisation | 99,805 | 9,137 |
| Auditor's remuneration | <u>18,850</u> | <u>21,350</u> |

3 Auditor's remuneration

| | 2014 £ | 2013 £ |
|---|----------------------|----------------------|
| Audit of the financial statements | <u>11,740</u> | <u>14,240</u> |
| Fees payable to the group's auditor and its associates for other services: | | |
| Taxation compliance services | 3,910 | 3,910 |
| Other services | <u>3,200</u> | <u>3,200</u> |
| | <u>7,110</u> | <u>7,110</u> |
| | <u><u>18,850</u></u> | <u><u>21,350</u></u> |

£18,850 (2013 - £21,350) of the fee for auditing the financial statements relates to the company.

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

4 Particulars of employees

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

| | 2014 No. | 2013 No. |
|----------------------------|---------------------|---------------------|
| Administration and support | 37 | 36 |
| Production | 56 | 60 |
| Sales | 53 | 54 |
| | <u>146</u> | <u>150</u> |

The aggregate payroll costs were as follows:

| | 2014 £ | 2013 £ |
|-----------------------|-------------------|-------------------|
| Wages and salaries | 2,468,915 | 2,636,242 |
| Social security costs | 208,849 | 237,942 |
| Staff pensions | 51,373 | 57,289 |
| | <u>2,729,137</u> | <u>2,931,473</u> |

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

5 Directors' remuneration

The directors' remuneration for the year was as follows:

| | 2014 £ | 2013 £ |
|--|-------------------------|-------------------------|
| Remuneration (including benefits in kind) | 322,017 | 334,034 |
| Company contributions paid to money purchase schemes | <u>15,825</u> | <u>18,722</u> |

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

| | 2014 No. | 2013 No. |
|---|---------------------------|---------------------------|
| Accruing benefits under money purchase pension scheme | <u>4</u> | <u>3</u> |

In respect of the highest paid director:

| | 2014 £ | 2013 £ |
|---|-------------------------|-------------------------|
| Remuneration | 90,681 | 90,165 |
| Company contributions to money purchase pension schemes | <u>7,145</u> | <u>8,309</u> |

6 Interest payable and similar charges

| | 2014 £ | 2013 £ |
|-----------------------------|-------------------------|-------------------------|
| Interest on bank borrowings | 39,140 | 44,045 |
| Other interest payable | 74,114 | 77,900 |
| Finance charges | <u>-</u> | <u>873</u> |
| | <u>113,254</u> | <u>122,818</u> |

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

7 Taxation

Tax on profit on ordinary activities

| | 2014 | 2013 |
|---|---------------|---------------|
| | £ | £ |
| Current tax | | |
| Corporation tax charge | 32,391 | 68,960 |
| Adjustments in respect of previous years | (1,710) | - |
| UK Corporation tax | 30,681 | 68,960 |
| Deferred tax | | |
| Origination and reversal of timing differences | (4,879) | 16,309 |
| Total tax on profit on ordinary activities | 25,802 | 85,269 |

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21.49% (2013 - 22.16%).

The differences are reconciled below:

| | 2014 | 2013 |
|---|---------------|---------------|
| | £ | £ |
| Profit on ordinary activities before taxation | 183,601 | 387,867 |
| Corporation tax at standard rate | 39,456 | 85,951 |
| Capital allowances in excess of depreciation | 1,236 | (18,928) |
| Expenses not deductible for tax purposes | - | 2,535 |
| Unrelieved tax losses | 16,993 | - |
| Other differences | (2,076) | (598) |
| Total current tax | 55,609 | 68,960 |

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

8 Intangible fixed assets

Group

| | Goodwill £ | Trademarks £ | Total £ |
|-----------------------|-----------------------|-------------------------|--------------------|
| Cost | | | |
| At 1 January 2014 | 853,080 | 394,867 | 1,247,947 |
| At 31 December 2014 | 853,080 | 394,867 | 1,247,947 |
| Amortisation | | | |
| At 1 January 2014 | 817,292 | 6,581 | 823,873 |
| Charge for the year | 7,669 | 92,136 | 99,805 |
| At 31 December 2014 | 824,961 | 98,717 | 923,678 |
| Net book value | | | |
| At 31 December 2014 | 28,119 | 296,150 | 324,269 |
| At 31 December 2013 | 35,788 | 388,286 | 424,074 |

Company

| | Goodwill £ | Total £ |
|-----------------------|-----------------------|--------------------|
| Cost | | |
| At 1 January 2014 | 814,736 | 814,736 |
| At 31 December 2014 | 814,736 | 814,736 |
| Amortisation | | |
| At 1 January 2014 | 814,736 | 814,736 |
| At 31 December 2014 | 814,736 | 814,736 |
| Net book value | | |
| At 31 December 2014 | - | - |
| At 31 December 2013 | - | - |

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

9 Tangible fixed assets

Group

| | Plant and machinery £ | Fixtures and fittings £ | Office equipment £ | Total £ |
|--------------------------|--------------------------------------|--|-----------------------------------|--------------------|
| Cost or valuation | | | | |
| At 1 January 2014 | 380,938 | 136,473 | 190,748 | 708,159 |
| Additions | 35,833 | 27,041 | 5,134 | 68,008 |
| At 31 December 2014 | 416,771 | 163,514 | 195,882 | 776,167 |
| Depreciation | | | | |
| At 1 January 2014 | 282,632 | 92,312 | 85,480 | 460,424 |
| Charge for the year | 3,586 | 17,166 | 59,470 | 80,222 |
| At 31 December 2014 | 286,218 | 109,478 | 144,950 | 540,646 |
| Net book value | | | | |
| At 31 December 2014 | 130,553 | 54,036 | 50,932 | 235,521 |
| At 31 December 2013 | 98,306 | 44,161 | 105,268 | 247,735 |

Company

| | Plant and machinery £ | Fixtures and fittings £ | Office equipment £ | Total £ |
|--------------------------|--------------------------------------|--|-----------------------------------|--------------------|
| Cost or valuation | | | | |
| At 1 January 2014 | 380,938 | 136,473 | 188,487 | 705,898 |
| Additions | 35,833 | 27,041 | 5,134 | 68,008 |
| At 31 December 2014 | 416,771 | 163,514 | 193,621 | 773,906 |
| Depreciation | | | | |
| At 1 January 2014 | 282,632 | 92,312 | 83,219 | 458,163 |
| Charge for the year | 3,586 | 17,166 | 59,470 | 80,222 |
| At 31 December 2014 | 286,218 | 109,478 | 142,689 | 538,385 |
| Net book value | | | | |
| At 31 December 2014 | 130,553 | 54,036 | 50,932 | 235,521 |
| At 31 December 2013 | 98,306 | 44,161 | 105,268 | 247,735 |

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

Leased assets

Included within the net book value of tangible fixed assets is £nil (2013 - £14,058) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £nil (2013 - £5,099).

10 Investments held as fixed assets

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 | Principal activity |
|--------------------------------|---------------------------------|----------------|--|---------------------------|
| Subsidiary undertakings | | | | |
| Beswick Limited | | Ordinary | 100% | Ceramics |

11 Stocks

| | Group | | Company | |
|----------------|------------------|------------------|------------------|------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | £ | £ | £ | £ |
| Raw materials | 408,701 | 375,137 | 408,701 | 375,137 |
| Finished goods | 2,701,758 | 2,895,073 | 2,701,758 | 2,895,073 |
| | <u>3,110,459</u> | <u>3,270,210</u> | <u>3,110,459</u> | <u>3,270,210</u> |

12 Debtors

| | Group | | Company | |
|------------------------------------|------------------|------------------|------------------|------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | £ | £ | £ | £ |
| Trade debtors | 1,138,313 | 1,144,121 | 1,138,313 | 1,144,121 |
| Amounts owed by group undertakings | - | - | 331,244 | 423,470 |
| Other debtors | 126 | 159 | - | 33 |
| Prepayments and accrued income | 193,564 | 203,130 | 193,564 | 203,130 |
| | <u>1,332,003</u> | <u>1,347,410</u> | <u>1,663,121</u> | <u>1,770,754</u> |

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

13 Creditors: Amounts falling due within one year

| | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | £ | £ | £ | £ |
| Trade creditors | 997,560 | 1,242,079 | 997,560 | 1,242,079 |
| Non-convertible debentures | 5,667 | 27,198 | 5,667 | 27,198 |
| Bank loans and overdrafts | 6,630 | 72,280 | 6,630 | 72,280 |
| Other loans | 80,262 | 131,998 | 80,262 | 131,998 |
| Obligations under finance lease and hire purchase contracts | - | 7,790 | - | 7,790 |
| Corporation tax | 32,391 | 68,960 | 32,391 | 68,960 |
| Other taxes and social security | 542,200 | 470,477 | 542,650 | 471,382 |
| Other creditors | 1,430,315 | 1,486,490 | 1,430,315 | 1,486,490 |
| Accruals and deferred income | 174,124 | 195,130 | 174,124 | 195,130 |
| | <u>3,269,149</u> | <u>3,702,402</u> | <u>3,269,599</u> | <u>3,703,307</u> |

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the group/company:

Company

| | 2014 | 2013 |
|---|------------------|------------------|
| | £ | £ |
| Bank loans | 6,630 | 72,280 |
| Debtor finance and inventory finance | 1,419,083 | 1,436,942 |
| Debenture and other loans | 30,013 | 27,198 |
| Obligations under finance lease and hire purchase contracts | - | 7,790 |
| | <u>1,455,726</u> | <u>1,544,210</u> |

The bank loans and overdraft are secured by a debenture over the assets of the company and a guarantee from a director for £350,000 (December 2013: £350,000). The debtor finance and inventory finance payable are secured on the debtors and inventory respectively. The debenture loan and certain other creditors are also secured by a debenture over the company's assets. Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

14 Creditors: Amounts falling due after more than one year

| | Group | | Company | |
|----------------------------|----------------|----------------|----------------|----------------|
| | 2014 | 2013 | 2014 | 2013 |
| | £ | £ | £ | £ |
| Non-convertible debentures | - | 6,800 | - | 6,800 |
| Bank loans and overdrafts | - | 6,630 | - | 6,630 |
| Other loans | 664,675 | 775,667 | 664,675 | 775,667 |
| | <u>664,675</u> | <u>789,097</u> | <u>664,675</u> | <u>789,097</u> |

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the group/company:

Company

| | 2014 | 2013 |
|---|-------------|---------------|
| | £ | £ |
| Bank loans and overdrafts | - | 6,630 |
| Debenture and other loans | - | 6,800 |
| Obligations under finance lease and hire purchase contracts | - | - |
| | <u>-</u> | <u>13,430</u> |

Included in creditors are the following amounts due after more than five years:

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2014 | 2013 | 2014 | 2013 |
| | £ | £ | £ | £ |
| After more than five years not by instalments | 662,436 | 692,724 | 662,436 | 692,724 |
| | <u>662,436</u> | <u>692,724</u> | <u>662,436</u> | <u>692,724</u> |

Obligations under finance leases and HP contracts

Amounts repayable:

| | Group | | Company | |
|-------------------------------|--------------|--------------|----------------|--------------|
| | 2014 | 2013 | 2014 | 2013 |
| | £ | £ | £ | £ |
| In one year or less on demand | - | 7,790 | - | 7,790 |
| | <u>-</u> | <u>7,790</u> | <u>-</u> | <u>7,790</u> |

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

15 Provisions

Group

| | Deferred tax £ | Total £ |
|---|---------------------------|--------------------|
| At 1 January 2014 | 34,699 | 34,699 |
| Credited to the profit and loss account | <u>(4,879)</u> | <u>(4,879)</u> |
| At 31 December 2014 | <u>29,820</u> | <u>29,820</u> |

Analysis of deferred tax

| | 2014 £ | 2013 £ |
|--|-------------------|-------------------|
| Difference between capital allowances and depreciation | 34,860 | 37,979 |
| Other timing differences | <u>(5,040)</u> | <u>(3,280)</u> |
| | <u>29,820</u> | <u>34,699</u> |

Company

| | Deferred tax £ | Total £ |
|---|---------------------------|--------------------|
| At 1 January 2014 | 34,699 | 34,699 |
| Credited to the profit and loss account | <u>(4,879)</u> | <u>(4,879)</u> |
| At 31 December 2014 | <u>29,820</u> | <u>29,820</u> |

Analysis of deferred tax

| | 2014 £ | 2013 £ |
|--|-------------------|-------------------|
| Difference between capital allowances and depreciation | 34,860 | 37,979 |
| Other timing differences | <u>(5,040)</u> | <u>(3,280)</u> |
| | <u>29,820</u> | <u>34,699</u> |

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

16 Share capital

Allotted, called up and fully paid shares

| | 2014 | | 2013 | |
|-----------------------------------|----------------|----------------|----------------|----------------|
| | No. | £ | No. | £ |
| 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> |

17 Reserves

Group

| | Capital redemption reserve £ | Profit and loss account £ | Total £ |
|---------------------|---|--|--------------------|
| At 1 January 2014 | 157,038 | 981,030 | 1,138,068 |
| Profit for the year | - | 157,799 | 157,799 |
| At 31 December 2014 | <u>157,038</u> | <u>1,138,829</u> | <u>1,295,867</u> |

Company

| | Capital redemption reserve £ | Profit and loss account £ | Total £ |
|---------------------|---|--|--------------------|
| At 1 January 2014 | 157,038 | 979,058 | 1,136,096 |
| Profit for the year | - | 165,468 | 165,468 |
| At 31 December 2014 | <u>157,038</u> | <u>1,144,526</u> | <u>1,301,564</u> |

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

18 Reconciliation of movement in shareholders' funds

Group

| | 2014 £ | 2013 £ |
|---|-------------------------|-------------------------|
| Profit attributable to the members of the group | 157,799 | 302,598 |
| Net addition to shareholders' funds | 157,799 | 302,598 |
| Shareholders' funds at 1 January | 1,359,208 | 1,056,610 |
| Shareholders' funds at 31 December | <u>1,517,007</u> | <u>1,359,208</u> |

Company

| | 2014 £ | 2013 £ |
|---|-------------------------|-------------------------|
| Profit attributable to the members of the company | 165,468 | 300,626 |
| Net addition to shareholders' funds | 165,468 | 300,626 |
| Shareholders' funds at 1 January | 1,357,236 | 1,056,610 |
| Shareholders' funds at 31 December | <u>1,522,704</u> | <u>1,357,236</u> |

19 Pension 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 £51,373 (2013 - £57,289).

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

20 Commitments

Operating lease commitments

Company

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

Operating leases which expire:

| | 2014 £ | 2013 £ |
|---------------------------|-------------------------|-------------------------|
| Land and buildings | | |
| Within one year | - | 15,000 |
| Within two and five years | 190,000 | 175,000 |
| | <u>190,000</u> | <u>190,000</u> |
| Other | | |
| Within one year | 2,865 | - |
| Within two and five years | 19,666 | 31,128 |
| | <u>22,531</u> | <u>31,128</u> |

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

21 Analysis of net debt

| | At 1 January 2014 £ | Cash flow £ | At 31 December 2014 £ |
|--|---------------------------|----------------|--------------------------------|
| Cash at bank and in hand | 595,977 | (117,578) | 478,399 |
| Debt due within one year | (231,476) | 138,917 | (92,559) |
| Debt due after more than one year | (789,097) | 124,422 | (664,675) |
| Finance leases and hire purchase contracts | (7,790) | 7,790 | - |
| Net debt | <u>(432,386)</u> | <u>153,551</u> | <u>(278,835)</u> |

22 Related party transactions

Other related party transactions

During the year the company made the following related party transactions:

J Hammond
(Director)

J Hammond has provided loans to the group with agreed repayment terms and interest rates. At the balance sheet date the amount due to J Hammond was £406,530 (2013 - £536,633).

23 Control

The group is controlled by John Hammond, director.