

Company Registration number: 05760193

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017



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

Directors	N Hughes R Halliday J H Hammond MBE A Ramsay P D Cullen
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 2017

The directors present their strategic report for the year ended 31 December 2017.

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.

Fair review of the business

In 2017, and with continuing market challenges, the Group has achieved another year of sales growth, with strong sales in established home markets and ongoing strategic investment bringing improved sales in overseas markets, particularly in the USA.

The Group continues as the UK's only large scale producer of crystal and glass, operating from its manufacturing facilities in Torrington, North Devon, and Crieff, Central Scotland, and continues to benefit from its two Royal Warrants servicing the households of Her Majesty the Queen and the Prince of Wales. The brand strength as a leader in the manufacture and distribution of high quality products once again enabled the Group to achieve another a successful year in many of its key markets.

Turnover for the year increased by just over 13% to £13.855m with further market consolidation achieved in the wine related and other UK channels.

Group profit before tax for the year was £362k (2016 £343k). The result was again significantly affected by the weak pound, however the Group continues to transact in forward exchange deals to protect its margin.

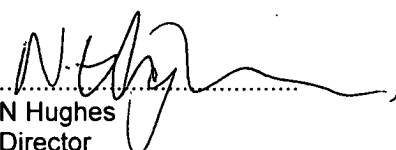
The year end cash position remained strong with a cash balance of £1.225m. Total net assets of the group have risen from £2.428m to £2.854m.

The outlook for 2018 is very positive, with another year of sales growth and profitability anticipated, and with further measures in place to protect against the currency markets. The rewards from significant investment in overseas markets will continue to benefit the Group going forward.

Principal risks and uncertainties

The Company remains dependent upon the highly specialised skill sets of the production workers, particularly in glass blowing, an 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 on28/9/18..... and signed on its behalf by:


N Hughes
Director

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the consolidated financial statements for the year ended 31 December 2017.

Directors of the group

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

N Hughes

R Halliday

J H Hammond MBE

A Ramsay

P D Cullen

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.

Future Developments

The future developments of the business are included within the strategic report.

Disclosure of information to the auditor

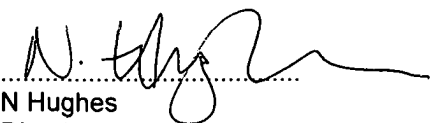
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of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

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

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 28/9/18 and signed on its behalf by:


.....
N Hughes
Director

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors acknowledge their responsibilities 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 and in accordance with The Financial Reporting Standards. They are also responsible for safeguarding the assets of 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 TO THE MEMBERS OF DARTINGTON CRYSTAL
(TORRINGTON) LIMITED

Opinion

We have audited the financial statements of Dartington Crystal (Torrington) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

DARTINGTON CRYSTAL (TORRINGTON) LIMITED

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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.

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

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

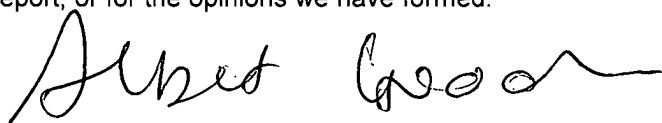
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.



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

28 September 2018

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Turnover	3	13,854,874	12,215,563
Cost of sales		<u>(8,838,315)</u>	<u>(7,520,620)</u>
Gross profit		5,016,559	4,694,943
Administrative expenses		(4,614,422)	(4,314,271)
Other operating income	4	<u>40,178</u>	<u>39,186</u>
Operating profit	5	442,315	419,858
Interest payable and similar charges	6	<u>(80,267)</u>	<u>(76,621)</u>
Profit before tax		362,048	343,237
Taxation	10	<u>64,375</u>	<u>(38,677)</u>
Profit for the financial year		<u><u>426,423</u></u>	<u><u>304,560</u></u>

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

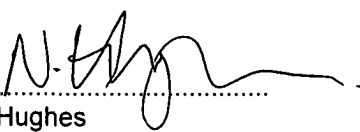
DARTINGTON CRYSTAL (TORRINGTON) LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

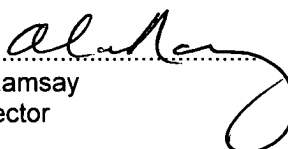
	Note	2017 £	2016 £
Profit for the year		<u>426,423</u>	<u>304,560</u>
Total comprehensive income for the year		<u><u>426,423</u></u>	<u><u>304,560</u></u>

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
(REGISTRATION NUMBER: 05760193)
CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	11	51,190	137,832
Tangible assets	12	<u>301,732</u>	<u>304,154</u>
		<u>352,922</u>	<u>441,986</u>
Current assets			
Stocks	14	2,576,285	2,764,372
Debtors	15	2,995,559	2,444,025
Cash at bank and in hand		<u>1,225,165</u>	<u>1,012,762</u>
		6,797,009	6,221,159
Creditors: Amounts falling due within one year	17	<u>(3,779,806)</u>	<u>(3,634,440)</u>
Net current assets		<u>3,017,203</u>	<u>2,586,719</u>
Total assets less current liabilities		3,370,125	3,028,705
Creditors: Amounts falling due after more than one year	17	(477,618)	(558,006)
Provisions for liabilities	18	<u>(38,503)</u>	<u>(43,118)</u>
Net assets		<u>2,854,004</u>	<u>2,427,581</u>
Capital and reserves			
Called up share capital	20	221,140	221,140
Capital redemption reserve		157,038	157,038
Profit and loss account		<u>2,475,826</u>	<u>2,049,403</u>
Total equity		<u>2,854,004</u>	<u>2,427,581</u>

Approved and authorised by the Board on 28/9/18 and signed on its behalf by:


 N Hughes
 Director

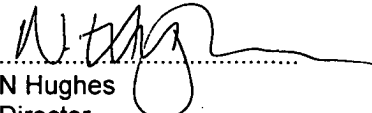

 A Ramsay
 Director

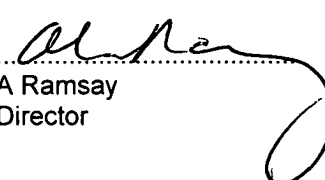
DARTINGTON CRYSTAL (TORRINGTON) LIMITED
(REGISTRATION NUMBER: 05760193)
BALANCE SHEET AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	12	301,732	304,154
Current assets			
Stocks	14	2,576,285	2,764,372
Debtors	15	3,076,306	2,603,838
Cash at bank and in hand		<u>1,224,762</u>	<u>1,012,266</u>
		6,877,353	6,380,476
Creditors: Amounts falling due within one year	17	<u>(3,780,256)</u>	<u>(3,634,890)</u>
Net current assets		<u>3,097,097</u>	<u>2,745,586</u>
Total assets less current liabilities		3,398,829	3,049,740
Creditors: Amounts falling due after more than one year	17	(477,618)	(558,006)
Provisions for liabilities	18	<u>(38,503)</u>	<u>(43,118)</u>
Net assets		<u>2,882,708</u>	<u>2,448,616</u>
Capital and reserves			
Called up share capital		221,140	221,140
Capital redemption reserve		157,038	157,038
Profit and loss reserve		<u>2,504,530</u>	<u>2,070,438</u>
Total equity		<u>2,882,708</u>	<u>2,448,616</u>

The company made a profit after tax for the financial year of £434,092 (2016 - profit of £312,229).

Approved and authorised by the Board on 28/9/18 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 2017

	Ordinary share capital £	Capital redemption reserve £	Profit and loss reserve £	Total £	Total equity £
At 1 January 2017	<u>221,140</u>	<u>157,038</u>	<u>2,049,403</u>	<u>2,427,581</u>	<u>2,427,581</u>
Movement in year:					
Profit for the year	-	-	426,423	426,423	426,423
Total comprehensive income	-	-	426,423	426,423	426,423
At 31 December 2017	<u>221,140</u>	<u>157,038</u>	<u>2,475,826</u>	<u>2,854,004</u>	<u>2,854,004</u>

	Ordinary share capital £	Capital redemption reserve £	Profit and loss reserve £	Total £	Total equity £
At 1 January 2016	<u>221,140</u>	<u>157,038</u>	<u>1,744,843</u>	<u>2,123,021</u>	<u>2,123,021</u>
Movement in year:					
Profit for the year	-	-	304,560	304,560	304,560
Total comprehensive income	-	-	304,560	304,560	304,560
At 31 December 2016	<u>221,140</u>	<u>157,038</u>	<u>2,049,403</u>	<u>2,427,581</u>	<u>2,427,581</u>

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Ordinary share capital £	Capital redemption reserve £	Profit and loss reserve £	Total £
At 1 January 2017	<u>221,140</u>	<u>157,038</u>	<u>2,070,438</u>	<u>2,448,616</u>
Movement in year:				
Profit for the year	<u>-</u>	<u>-</u>	<u>434,092</u>	<u>434,092</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>434,092</u>	<u>434,092</u>
At 31 December 2017	<u>221,140</u>	<u>157,038</u>	<u>2,504,530</u>	<u>2,882,708</u>

	Ordinary share capital £	Capital redemption reserve £	Profit and loss reserve £	Total £
At 1 January 2016	<u>221,140</u>	<u>157,038</u>	<u>1,758,209</u>	<u>2,136,387</u>
Movement in year:				
Profit for the year	<u>-</u>	<u>-</u>	<u>312,229</u>	<u>312,229</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>312,229</u>	<u>312,229</u>
At 31 December 2016	<u>221,140</u>	<u>157,038</u>	<u>2,070,438</u>	<u>2,448,616</u>

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Profit for the year		426,423	304,560
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	207,074	193,725
Finance costs	6	80,267	76,621
Income tax expense	10	(64,375)	38,677
		<u>649,389</u>	<u>613,583</u>
Working capital adjustments			
Decrease/(increase) in stocks	14	188,087	(429)
Increase in trade debtors	15	(551,534)	(778,169)
Increase in trade creditors	17	<u>188,106</u>	<u>540,864</u>
Cash generated from operations		474,048	375,849
Income taxes received/(paid)	10	<u>17,020</u>	<u>(35,279)</u>
Net cash flow from operating activities		<u>491,068</u>	<u>340,570</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(118,010)	(188,265)
Cash flows from financing activities			
Interest paid	6	(80,267)	(76,621)
Repayment of other borrowing		<u>(80,388)</u>	<u>(80,389)</u>
Net cash flows from financing activities		<u>(160,655)</u>	<u>(157,010)</u>
Net increase/(decrease) in cash and cash equivalents		212,403	(4,705)
Cash and cash equivalents at 1 January 2017		<u>1,012,762</u>	<u>1,017,467</u>
Cash and cash equivalents at 31 December 2017		<u><u>1,225,165</u></u>	<u><u>1,012,762</u></u>

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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

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 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 2016.

No profit and loss account is presented for the company as permitted by Section 408 of the Companies Act 2006.

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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.

Turnover 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.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, 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 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.

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Deferred tax is recognised on timing 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 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.

Deferred tax liabilities are presented within provisions for liabilities on the balance sheet.

Tangible fixed assets

Tangible assets are stated at cost, less accumulated depreciation and 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

Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Groups'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 subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

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.

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
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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.

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.

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
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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.

Defined contribution pension obligation

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

The contributions are recognised as an expense in the profit and loss account 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 group in independently administered funds.

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.

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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3 Turnover

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

	2017	2016
	£	£
Wholesale of goods	11,694,274	9,947,910
Retail sale of goods	<u>2,160,600</u>	<u>2,267,653</u>
	<u>13,854,874</u>	<u>12,215,563</u>

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

	2017	2016
	£	£
UK	11,961,662	11,319,660
Rest of world	<u>1,893,212</u>	<u>895,903</u>
	<u>13,854,874</u>	<u>12,215,563</u>

4 Other operating income

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

	2017	2016
	£	£
Other income	<u>40,178</u>	<u>39,186</u>

5 Operating profit

Arrived at after charging/(crediting):

	2017	2016
	£	£
Depreciation expense	120,432	107,083
Amortisation expense	86,642	86,642
Operating lease expense - plant and machinery	16,008	15,540
Foreign currency (gains)/losses	<u>(52,974)</u>	<u>(5,592)</u>

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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6 Interest payable and similar charges

	2017	2016
	£	£
Interest on bank overdrafts and borrowings	40,166	43,547
Interest expense on other finance liabilities	40,101	33,074
	<u>80,267</u>	<u>76,621</u>

7 Staff costs

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

	2017	2016
	£	£
Wages and salaries	2,913,312	2,701,107
Social security costs	245,533	233,891
Pension costs, defined contribution scheme	57,634	59,679
Other employee expense	40,088	47,129
	<u>3,256,567</u>	<u>3,041,806</u>

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

	2017	2016
	No.	No.
Production	50	51
Administration and support	44	38
Sales	56	57
	<u>150</u>	<u>146</u>

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2017	2016
	£	£
Remuneration	364,627	297,644
Contributions paid to money purchase schemes	<u>18,300</u>	<u>20,634</u>
	<u><u>382,927</u></u>	<u><u>318,278</u></u>

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

	2017	2016
	No.	No.
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>3</u>

In respect of the highest paid director:

	2017	2016
	£	£
Remuneration	98,721	95,386
Company contributions to money purchase pension schemes	<u>7,700</u>	<u>9,098</u>

9 Auditors' remuneration

	2017	2016
	£	£
Audit of these financial statements	<u>22,000</u>	<u>18,000</u>

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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10 Taxation

Tax charged/(credited) in the profit and loss account:

	2017	2016
	£	£
Current taxation		
UK corporation tax	7,957	50,572
UK corporation tax adjustment to prior periods	<u>(67,717)</u>	<u>(27,168)</u>
	(59,760)	23,404
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(4,615)</u>	<u>15,273</u>
Tax (receipt)/expense in the profit and loss account	<u><u>(64,375)</u></u>	<u><u>38,677</u></u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2016 - the same as the standard rate of corporation tax in the UK) of 19.25% (2016 - 20%).

The differences are reconciled below:

	2017	2016
	£	£
Profit before tax	<u>362,048</u>	<u>343,237</u>
Corporation tax at standard rate	69,694	68,647
Effect of expense not deductible in determining taxable profit (tax loss)	544	40
Decrease from effect of tax incentives	(135,121)	(27,168)
Tax increase/(decrease) from other short-term timing differences	<u>508</u>	<u>(2,842)</u>
Total tax (credit)/charge	<u><u>(64,375)</u></u>	<u><u>38,677</u></u>

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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11 Intangible assets

Group

	Goodwill £	Trademarks £	Total £
Cost or valuation			
At 1 January 2017	<u>853,080</u>	<u>394,867</u>	<u>1,247,947</u>
At 31 December 2017	<u>853,080</u>	<u>394,867</u>	<u>1,247,947</u>
Amortisation			
At 1 January 2017	840,299	269,816	1,110,115
Amortisation charge	<u>7,669</u>	<u>78,973</u>	<u>86,642</u>
At 31 December 2017	<u>847,968</u>	<u>348,789</u>	<u>1,196,757</u>
Carrying amount			
At 31 December 2017	<u>5,112</u>	<u>46,078</u>	<u>51,190</u>
At 31 December 2016	<u>12,781</u>	<u>125,051</u>	<u>137,832</u>

Company

	Goodwill £	Total £
Cost or valuation		
At 1 January 2017	<u>814,736</u>	<u>814,736</u>
At 31 December 2017	<u>814,736</u>	<u>814,736</u>
Amortisation		
At 1 January 2017	<u>814,736</u>	<u>814,736</u>
At 31 December 2017	<u>814,736</u>	<u>814,736</u>
Carrying amount		
At 31 December 2017	<u>-</u>	<u>-</u>

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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12 Tangible fixed assets

Group	Short leasehold land and buildings £	Furniture, fittings and equipment £	Plant and machinery £	Total £
Cost or valuation				
At 1 January 2017	56,506	429,724	554,637	1,040,867
Additions	-	31,062	86,948	118,010
At 31 December 2017	<u>56,506</u>	<u>460,786</u>	<u>641,585</u>	<u>1,158,877</u>
Depreciation				
At 1 January 2017	3,576	341,021	392,116	736,713
Charge for the year	<u>3,310</u>	<u>44,237</u>	<u>72,885</u>	<u>120,432</u>
At 31 December 2017	<u>6,886</u>	<u>385,258</u>	<u>465,001</u>	<u>857,145</u>
Carrying amount				
At 31 December 2017	<u>49,620</u>	<u>75,528</u>	<u>176,584</u>	<u>301,732</u>
At 31 December 2016	<u>52,930</u>	<u>88,703</u>	<u>162,521</u>	<u>304,154</u>

Included within the net book value of land and buildings above is £Nil (2016 - £Nil) in respect of long leasehold land and buildings and £49,620 (2016 - £52,930) in respect of short leasehold land and buildings.

Restriction on title and pledged as security

Fixed assets with a carrying amount of £301,732 (2016 - £304,154) has been pledged as security for bank and other borrowings.

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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Company

	Short leasehold land and buildings £	Furniture, fittings and equipment £	Plant and machinery £	Total £
Cost or valuation				
At 1 January 2017	56,506	429,724	554,637	1,040,867
Additions	-	31,062	86,948	118,010
At 31 December 2017	56,506	460,786	641,585	1,158,877
Depreciation				
At 1 January 2017	3,576	341,021	392,116	736,713
Charge for the year	3,310	44,237	72,885	120,432
At 31 December 2017	6,886	385,258	465,001	857,145
Carrying amount				
At 31 December 2017	49,620	75,528	176,584	301,732
At 31 December 2016	52,930	88,703	162,521	304,154

Included within the net book value of land and buildings above is £Nil (2016 - £Nil) in respect of long leasehold land and buildings and £49,620 (2016 - £52,930) in respect of short leasehold land and buildings.

Restriction on title and pledged as security

Fixed assets with a carrying amount of £301,732 (2016 - £304,154) has been pledged as security for bank and other borrowings.

13 Investments

Group

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2017	2016
Subsidiary undertakings				
Beswick Limited*	England	Ordinary	100%	100%

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NOTES TO THE FINANCIAL STATEMENTS
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* 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

	2017	Group	2017	Company
	£	2016	£	2016
		£		£
Raw materials and consumables	436,538	399,943	436,538	399,943
Finished goods and goods for resale	2,139,747	2,364,429	2,139,747	2,364,429
	<u>2,576,285</u>	<u>2,764,372</u>	<u>2,576,285</u>	<u>2,764,372</u>

Group

The carrying amount of stocks pledged as security for liabilities amounted to £2,576,285 (2016 - £2,764,372).

15 Debtors

	2017	Group	2017	Company
	£	2016	£	2016
		£		£
Trade debtors	2,752,237	2,211,633	2,752,237	2,211,633
Amounts owed by group undertakings	-	-	80,873	159,939
Other debtors	1,646	1,445	1,520	1,319
Prepayments	241,676	230,947	241,676	230,947
Total current trade and other debtors	<u>2,995,559</u>	<u>2,444,025</u>	<u>3,076,306</u>	<u>2,603,838</u>

16 Cash and cash equivalents

	2017	Group	2017	Company
	£	2016	£	2016
		£		£
Cash on hand	5,743	6,316	5,743	6,316
Cash at bank	1,219,422	1,006,446	1,219,019	1,005,950
	<u>1,225,165</u>	<u>1,012,762</u>	<u>1,224,762</u>	<u>1,012,266</u>

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 .

17 Creditors

	Note	2017 £	Group 2016 £	2017 £	Company 2016 £
Due within one year					
Trade creditors		1,170,992	1,157,348	1,170,992	1,157,348
Social security and other taxes		719,903	615,022	720,353	615,472
Other creditors		1,520,486	1,593,758	1,520,486	1,593,758
Accrued expenses		360,593	217,740	360,593	217,740
Corporation tax	10	<u>7,832</u>	<u>50,572</u>	<u>7,832</u>	<u>50,572</u>
		<u>3,779,806</u>	<u>3,634,440</u>	<u>3,780,256</u>	<u>3,634,890</u>
Due after one year					
Loans and borrowings	21	<u>477,618</u>	<u>558,006</u>	<u>477,618</u>	<u>558,006</u>

18 Deferred tax and other provisions

Deferred tax

Group and company

Deferred tax assets and liabilities

	Liability £
2017	
Accelerated capital allowances	<u>38,503</u>
	Liability £
2016	
Accelerated capital allowances	<u>43,118</u>

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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19 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 £57,634 (2016 - £59,679).

20 Share capital

Allotted, called up and fully paid shares

	No.	2017 £	No.	2016 £
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>

21 Loans and borrowings

	2017 £	Group 2016 £	2017 £	Company 2016 £
Non-current loans and borrowings				
Other borrowings	<u>477,618</u>	<u>558,006</u>	<u>477,618</u>	<u>558,006</u>

Group and company

Bank borrowings

The stock finance account is included in other creditors within note 17 amounts to £427,569 (2016 - £602,506) is denominated in sterling with a nominal interest rate of 3.5% and is secured on stock.

The debtor finance account is included in other creditors within note 17 amounts to £1,077,645 (2016 - £989,133) is denominated in sterling with a nominal interest rate of 2.5% and is secured on trade debtors.

Other borrowings

Other borrowings with a carrying value of £477,618 (2016 - £558,006) are denominated in sterling, unsecured and interest free. These borrowings are not repayable until the company is sold to a third party.

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
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22 Obligations under leases and hire purchase contracts

Group

Operating leases

The total of future minimum lease payments is as follows:

	2017	2016
	£	£
Not later than one year	283,324	282,125
Later than one year and not later than five years	1,043,422	996,507
Later than five years	<u>1,997,832</u>	<u>2,203,950</u>
	<u><u>3,324,578</u></u>	<u><u>3,482,582</u></u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £315,201 (2016 - £309,139).

Company

Operating leases

The total of future minimum lease payments is as follows:

	2017	2016
	£	£
Not later than one year	283,324	282,125
Later than one year and not later than five years	1,043,422	996,507
Later than five years	<u>1,997,832</u>	<u>2,203,950</u>
	<u><u>3,324,578</u></u>	<u><u>3,482,582</u></u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £315,201 (2016 - £309,139).

DARTINGTON CRYSTAL (TORRINGTON) LIMITED
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23 Related party transactions

Group

The total remuneration for key management personal is:

	2017	2016
	£	£
Salaries and other short term employee benefits	<u>364,627</u>	<u>362,644</u>

Group and company

Transactions with directors

A director provided loans to Dartington Crystal (Torrington) Ltd amounting to £157,618 (2016 - £238,006).