

Registered number: 00451921

CROCKETT AND JONES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2017

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CROCKETT AND JONES LIMITED

COMPANY INFORMATION

| | |
|-----------------------------|--|
| Directors | J P M Jones M R Wilson Jones (appointed 13 July 2016) N M Jones |
| Company secretary | A Coles |
| Registered number | 00451921 |
| Registered office | 27 Perry Street Northampton Northamptonshire NN1 4HN |
| Independent auditors | Moore Stephens LLP Chartered Accountants and Statutory Auditor 35 Calthorpe Road Edgbaston Birmingham B15 1TS |
| Bankers | Barclays Bank Plc Level 27 1 Churchill Place London E14 5HP |
| Solicitors | Hewitsons Elgin House Billing Road Northampton Northamptonshire NN1 5AU |

CROCKETT AND JONES LIMITED

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CROCKETT AND JONES LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2017

Business review

The group is engaged in the manufacture and sales of footwear and associated products.

The profit for the year, after taxation, amounted to £4,521,000.

The directors recommend that a final dividend of 220p (2016: 200p) a share should be paid. The total dividends payable in respect of the year ended 28 February 2017 total 400p a share (2016: 360p).

Key performance indicators

The directors of the group monitor its performance by reference to the following key performance indicators:

Turnover - The turnover for the year was £29,376,000 (2016: £28,125,000).

Operating profit - The operating profit for the year was £4,822,000 (2016: £3,904,000).

Financial risk management objectives and policies

The management of the business and the execution of the group's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the group are considered to relate to the group having a strong order book to enable the production capacity to be fully utilised, foreign currency exchange rates allowing the company to remain competitive in export markets, employee retention, and continued supply of quality raw materials.

The company uses forward exchange contracts for Euro and U.S. Dollar when necessary to protect its position against fluctuation on exchange for sales made in foreign currencies. The company is exposed to the usual credit risk and cashflow risk associated with its business and manages this through tight credit control procedures.

Outlook

The company is taking a cautious view with its sales projections for the current year, due to election uncertainties and the recent terrorist attacks in European cities. Traditional retail business is also being affected by e-commerce competition, and some sales channels will therefore need to be re-adjusted in the future.

The company recently completed the relocation of its New York shop, which opened at 11 East 55th Street, New York on 21st January this year.

In Birmingham, England, the company has re-opened its shop on Colmore Row, and will be opening a second retail shop in Birmingham during the Summer.

This report was approved by the board on 12 July 2017 and signed on its behalf.

A Coles
Secretary



CROCKETT AND JONES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2017

The directors present their report and the financial statements for the year ended 28 February 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group 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 for the Group's financial statements and then apply them consistently;
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The group is engaged in the manufacture and sale of footwear and associated products.

Directors

The directors who served during the year were:

J P M Jones
M R Wilson Jones (appointed 13 July 2016)
N M Jones

Strategic report

A separate strategic report has been prepared by the directors and is included on page 1.

Employee involvement

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance.

CROCKETT AND JONES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2017**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditors

The auditors, Moore Stephens LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 12 July 2017 and signed on its behalf.



A Coles
Secretary

CROCKETT AND JONES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CROCKETT AND JONES LIMITED

We have audited the financial statements of Crockett and Jones Limited for the year ended 28 February 2017, set out on pages 6 to 37. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' 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 Auditors

As explained more fully in the Directors' Responsibilities Statement on page 2, 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 Financial Reporting Council'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 the 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 Group Strategic Report and the 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.

Opinion on financial statements

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 28 February 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.

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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

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

CROCKETT AND JONES LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CROCKETT AND JONES LIMITED
(CONTINUED)**

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.

Moore Stephens LLP

Sukhjinder Aulak (Senior Statutory Auditor)

for and on behalf of

Moore Stephens LLP

Chartered Accountants and Statutory Auditor

35 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

12 July 2017

CROCKETT AND JONES LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28 FEBRUARY 2017

| | Note | 2017 £000 | 2016 £000 |
|---|------|---------------|---------------|
| Turnover | 4 | 29,376 | 28,125 |
| Cost of sales | | (14,950) | (15,461) |
| Gross profit | | 14,426 | 12,664 |
| Distribution costs | | (5,831) | (4,857) |
| Administrative expenses | | (3,815) | (3,944) |
| Other operating income | 5 | 42 | 41 |
| Operating profit | 6 | 4,822 | 3,904 |
| Income from other fixed asset investments | | 32 | 35 |
| Interest receivable and similar income | 10 | 26 | 2 |
| Interest payable and similar expenses | 11 | (20) | (4) |
| Gains / (losses) on investments | | 418 | 5 |
| Profit before tax | | 5,278 | 3,942 |
| Tax on profit | 12 | (757) | (777) |
| Profit for the financial year | | 4,521 | 3,165 |
| Profit for the year attributable to: | | | |
| Non-controlling interests | | 62 | 46 |
| Owners of the parent | | 4,459 | 3,119 |
| | | 4,521 | 3,165 |

The notes on pages 16 to 37 form part of these financial statements.

CROCKETT AND JONES LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2017**

| | Note | 2017 £000 | 2016 £000 |
|--|------|--------------|--------------|
| Profit for the financial year | | 4,521 | 3,165 |
| Other comprehensive income | | | |
| Fair value movement on investments | | - | (111) |
| Other comprehensive income for the year | | - | (111) |
| Total comprehensive income for the year | | <u>4,521</u> | <u>3,054</u> |
| Profit for the year attributable to: | | | |
| Non-controlling interest | | 62 | 46 |
| Owners of the parent Company | | 4,459 | 3,119 |
| | | <u>4,521</u> | <u>3,165</u> |
| Total comprehensive income attributable to: | | | |
| Non-controlling interest | | 62 | 46 |
| Owners of the parent Company | | 4,459 | 3,008 |
| | | <u>4,521</u> | <u>3,054</u> |

CROCKETT AND JONES LIMITED
REGISTERED NUMBER: 00451921

CONSOLIDATED BALANCE SHEET
AS AT 28 FEBRUARY 2017

| | Note | 28 February 2017 £000 | 28 February 2017 £000 | 29 February 2016 £000 | 29 February 2016 £000 |
|---|------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Fixed assets | | | | | |
| Tangible assets | 15 | | 4,319 | | 4,167 |
| Investments | 16 | | 2,677 | | 2,445 |
| | | | <u>6,996</u> | | <u>6,612</u> |
| Current assets | | | | | |
| Stocks | 17 | 8,009 | | 7,609 | |
| Debtors: amounts falling due within one year | 18 | 3,453 | | 3,690 | |
| Cash at bank and in hand | 19 | 9,445 | | 5,834 | |
| | | <u>20,907</u> | | <u>17,133</u> | |
| Creditors: amounts falling due within one year | 20 | (2,837) | | (2,711) | |
| Net current assets | | | <u>18,070</u> | | <u>14,422</u> |
| Total assets less current liabilities | | | <u>25,066</u> | | <u>21,034</u> |
| Creditors: amounts falling due after more than one year | 21 | | (513) | | (354) |
| Provisions for liabilities | | | | | |
| Deferred taxation | 23 | | (238) | | (422) |
| Net assets | | | <u><u>24,315</u></u> | | <u><u>20,258</u></u> |

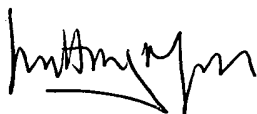
CROCKETT AND JONES LIMITED
REGISTERED NUMBER: 00451921

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 28 FEBRUARY 2017

| | | 28 February 2017 £000 | 29 February 2016 £000 |
|--|------|-----------------------------|-----------------------------|
| | Note | | |
| Capital and reserves | | | |
| Called up share capital | 24 | 122 | 122 |
| Share premium account | 25 | 485 | 485 |
| Revaluation reserve | 25 | 177 | 183 |
| Capital redemption reserve | 25 | 221 | 221 |
| Profit and loss account | 25 | 22,957 | 18,956 |
| Equity attributable to owners of the parent Company | | 23,962 | 19,967 |
| Non-controlling interests | | 353 | 291 |
| | | 24,315 | 20,258 |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 July 2017.

J P M Jones
Director



The notes on pages 16 to 37 form part of these financial statements.

CROCKETT AND JONES LIMITED
REGISTERED NUMBER: 00451921

COMPANY BALANCE SHEET
AS AT 28 FEBRUARY 2017

| | Note | 28 February 2017 £000 | 28 February 2017 £000 | 29 February 2016 £000 | 29 February 2016 £000 |
|---|------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Fixed assets | | | | | |
| Tangible assets | 15 | | 3,131 | | 3,350 |
| Investments | 16 | | 2,807 | | 2,575 |
| | | | <u>5,938</u> | | <u>5,925</u> |
| Current assets | | | | | |
| Stocks | 17 | 6,787 | | 6,677 | |
| Debtors: amounts falling due within one year | 18 | 4,629 | | 4,417 | |
| Cash at bank and in hand | 19 | 7,958 | | 4,399 | |
| | | <u>19,374</u> | | <u>15,493</u> | |
| Creditors: amounts falling due within one year | 20 | (2,498) | | (2,227) | |
| Net current assets | | | <u>16,876</u> | | <u>13,266</u> |
| Total assets less current liabilities | | | <u>22,814</u> | | <u>19,191</u> |
| Creditors: amounts falling due after more than one year | 21 | | (26) | | (26) |
| Provisions for liabilities | | | | | |
| Deferred taxation | 23 | | (238) | | (422) |
| Net assets | | | <u><u>22,550</u></u> | | <u><u>18,743</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | 24 | | 122 | | 122 |
| Share premium account | 25 | | 485 | | 485 |
| Revaluation reserve | 25 | | 177 | | 183 |
| Capital redemption reserve | 25 | | 221 | | 221 |
| Profit and loss account | 25 | | 21,545 | | 17,732 |
| | | | <u><u>22,550</u></u> | | <u><u>18,743</u></u> |

The Company reported a profit for the year ended 28 February 2017 of £4,271,000 (2016: £2,866,000).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 July 2017.

J P M Jones
Director



CROCKETT AND JONES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2017

| | Called up share capital | Share premium account | Capital redemption reserve | Revaluation reserve | Profit and loss account | Equity attributable to owners of parent Company | Non- controlling interests | Total equity |
|--|----------------------------|-----------------------------|----------------------------------|------------------------|----------------------------|---|----------------------------------|---------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| At 1 March 2016 | 122 | 485 | 221 | 183 | 18,956 | 19,967 | 291 | 20,258 |
| Comprehensive income for the year | | | | | | | | |
| Profit for the year | - | - | - | - | 4,459 | 4,459 | 62 | 4,521 |
| Other comprehensive income for the year | | | | | | | | |
| | - | - | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - | 4,459 | 4,459 | 62 | 4,521 |
| Dividends: Equity capital | - | - | - | - | (464) | (464) | - | (464) |
| Transfer to/from profit and loss account | - | - | - | (6) | 6 | - | - | - |
| Total transactions with owners | - | - | - | (6) | (458) | (464) | - | (464) |
| At 28 February 2017 | 122 | 485 | 221 | 177 | 22,957 | 23,962 | 353 | 24,315 |

CROCKETT AND JONES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 FEBRUARY 2016

| | Called up share capital | Share premium account | Capital redemption reserve | Revaluation reserve | Investment revaluation reserve | Profit and loss account | Equity attributable to owners of parent Company | Non- controlling interests | Total equity |
|--|----------------------------|-----------------------------|----------------------------------|------------------------|--------------------------------------|----------------------------|---|----------------------------------|---------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| At 1 March 2015 | 122 | 485 | 221 | 189 | 111 | 16,227 | 17,355 | 245 | 17,600 |
| Comprehensive income for the year | | | | | | | | | |
| Profit for the year | - | - | - | - | - | 3,119 | 3,119 | 46 | 3,165 |
| Unrealised gains on investments | - | - | - | - | (111) | - | (111) | - | (111) |
| Other comprehensive income for the year | - | - | - | - | (111) | - | (111) | - | (111) |
| Total comprehensive income for the year | - | - | - | - | (111) | 3,119 | 3,008 | 46 | 3,054 |
| Dividends: Equity capital | - | - | - | - | - | (396) | (396) | - | (396) |
| Transfer to/from profit and loss account | - | - | - | (6) | - | 6 | - | - | - |
| Total transactions with owners | - | - | - | (6) | - | (390) | (396) | - | (396) |
| At 29 February 2016 | 122 | 485 | 221 | 183 | - | 18,956 | 19,967 | 291 | 20,258 |

The notes on pages 16 to 37 form part of these financial statements.

CROCKETT AND JONES LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2017**

| | Called up share capital | Share premium account | Capital redemption reserve | Revaluation reserve | Profit and loss account | Total equity |
|---|----------------------------|-----------------------------|----------------------------------|------------------------|----------------------------|---------------|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| At 1 March 2016 | 122 | 485 | 221 | 183 | 17,732 | 18,743 |
| Comprehensive income for the year | | | | | | |
| Profit for the year | - | - | - | - | 4,271 | 4,271 |
| | | | | | | |
| Other comprehensive income for the year | | | | | | |
| | - | - | - | - | - | - |
| | | | | | | |
| Total comprehensive income for the year | - | - | - | - | 4,271 | 4,271 |
| Contributions by and distributions to owners | | | | | | |
| Dividends: Equity capital | - | - | - | - | (464) | (464) |
| Transfer to/from profit and loss account | - | - | - | (6) | 6 | - |
| | | | | | | |
| Total transactions with owners | - | - | - | (6) | (458) | (464) |
| | | | | | | |
| At 28 February 2017 | 122 | 485 | 221 | 177 | 21,545 | 22,550 |

CROCKETT AND JONES LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 FEBRUARY 2016**

| | Called up share capital | Share premium account | Capital redemption reserve | Revaluation reserve | Investment revaluation reserve | Profit and loss account | Total equity |
|---|----------------------------|-----------------------------|----------------------------------|------------------------|--------------------------------------|----------------------------|---------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| At 1 March 2015 | 122 | 485 | 221 | 189 | 111 | 15,256 | 16,384 |
| Comprehensive income for the year | | | | | | | |
| Profit for the year | - | - | - | - | - | 2,866 | 2,866 |
| Unrealised gains on investments | - | - | - | - | (111) | - | (111) |
| Other comprehensive income for the year | - | - | - | - | (111) | - | (111) |
| Total comprehensive income for the year | - | - | - | - | (111) | 2,866 | 2,755 |
| Contributions by and distributions to owners | | | | | | | |
| Dividends: Equity capital | - | - | - | - | - | (396) | (396) |
| Transfer to/from profit and loss account | - | - | - | (6) | - | 6 | - |
| Total transactions with owners | - | - | - | (6) | - | (390) | (396) |
| At 29 February 2016 | 122 | 485 | 221 | 183 | - | 17,732 | 18,743 |

The notes on pages 16 to 37 form part of these financial statements.

CROCKETT AND JONES LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

| | 28 February 2017 £000 | 29 February 2016 £000 |
|---|--------------------------------------|--------------------------------------|
| Cash flows from operating activities | | |
| Profit for the financial year | 4,521 | 3,165 |
| Adjustments for: | | |
| Depreciation of tangible assets | 634 | 548 |
| Loss on disposal of tangible assets | (8) | - |
| Interest paid | 20 | 4 |
| Interest received | (60) | (41) |
| Taxation charge | 757 | 777 |
| (Increase) in stocks | (399) | (770) |
| Decrease/(increase) in debtors | 236 | (820) |
| Increase in creditors | 193 | 193 |
| Corporation tax (paid) | (848) | (420) |
| Revaluation of investments | (418) | 5 |
| Net cash generated from operating activities | 4,628 | 2,641 |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | (789) | (496) |
| Sale of tangible fixed assets | 12 | - |
| Purchase of listed investments | (729) | (1,099) |
| Sale of listed investments | 915 | 959 |
| Interest received | 26 | 2 |
| Dividends received | 32 | 35 |
| Net cash from investing activities | (533) | (599) |
| Cash flows from financing activities | | |
| Dividends paid | (464) | (396) |
| Interest paid | (20) | (4) |
| Net cash used in financing activities | (484) | (400) |
| Net increase in cash and cash equivalents | 3,611 | 1,642 |
| Cash and cash equivalents at beginning of year | 5,834 | 4,192 |
| Cash and cash equivalents at the end of year | 9,445 | 5,834 |
| Cash and cash equivalents at the end of year comprise: | | |
| Cash at bank and in hand | 9,445 | 5,834 |

CROCKETT AND JONES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

1. General information

Crockett & Jones Limited is a limited liability company incorporated and domiciled in England & Wales.

The Registered Office is 27 Perry Street, Northampton, Northamptonshire, NN1 4HN.

The group is engaged in the manufacture and sale of footwear and associated products.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The financial statements are prepared in Sterling which is the functional currency of the Company and rounded to the nearest £'000.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Profit and Loss Account from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 March 2015.

2.3 Going concern

The Group accounts have been prepared on the going concern basis and reports net current assets of £18,003,000 and therefore meets all its obligations as they fall due. For this reason the directors consider it appropriate to continue to adopt the going concern basis in preparing the accounts.

CROCKETT AND JONES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

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

2.5 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

| | |
|-----------------------|----------------------------------|
| Freehold property | - 2% of cost or valuation |
| Plant and machinery | - 12.5% of cost |
| Motor vehicles | - 25% of cost or period of lease |
| Fixtures and fittings | - over period of lease |
| Office equipment | - 20% of cost |

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Profit and Loss Account.

2.6 Revaluation of tangible fixed assets

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and capitalised borrowing costs. All items are carried at depreciated cost, except the company's freehold land and buildings that were frozen at modified historic cost in 1987.

CROCKETT AND JONES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

2. Accounting policies (continued)

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.8 Stocks

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

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

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

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

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.11 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured either at fair value with changes recognised in the Consolidated Profit and Loss Account if the shares are publicly traded or their fair value can otherwise be measured reliably or at cost less impairment for all other investments.

CROCKETT AND JONES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

2. Accounting policies (continued)

2.11 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.12 Creditors

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

2.13 Finance costs

Finance costs are charged to the Consolidated Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.15 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Profit and Loss Account on a straight line basis over the period of the lease.

CROCKETT AND JONES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

2. Accounting policies (continued)

2.16 Pensions

Defined contribution pension plan

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 payment obligations.

The contributions are recognised as an expense in the Consolidated 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.

Defined benefit pension plan

The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance Sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

2.17 Interest income

Interest income is recognised in the Consolidated Profit and Loss Account using the effective interest method.

CROCKETT AND JONES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

2. Accounting policies (continued)

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Profit and Loss Account in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

CROCKETT AND JONES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

4. Turnover

| | 2017 | 2016 |
|----------|---------------|---------------|
| | £000 | £000 |
| Turnover | 29,376 | 28,125 |

Analysis of turnover by country of destination:

| | 2017 | 2016 |
|-------------------|---------------|---------------|
| | £000 | £000 |
| United Kingdom | 14,926 | 13,015 |
| Rest of the world | 14,450 | 15,110 |
| | 29,376 | 28,125 |

5. Other operating income

| | 2017 | 2016 |
|----------------------|-------------|-------------|
| | £000 | £000 |
| Net rents receivable | 42 | 41 |

6. Operating profit

The operating profit is stated after charging:

| | 2017 | 2016 |
|--|--------------|--------------|
| | £000 | £000 |
| Depreciation of tangible fixed assets | 634 | 547 |
| Fees payable to the Group's auditor for the audit of the Company's annual financial statements | 30 | 33 |
| Exchange differences | (576) | (258) |
| Defined contribution pension cost | 738 | 762 |

CROCKETT AND JONES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

7. Employees

Staff costs, including directors' remuneration, were as follows:

| | 2017 | 2016 |
|-------------------------------------|---------------|---------------|
| | £000 | £000 |
| Wages and salaries | 9,578 | 9,514 |
| Social security costs | 775 | 778 |
| Cost of defined benefit scheme | (1) | 8 |
| Cost of defined contribution scheme | 738 | 762 |
| | 11,090 | 11,062 |

The average monthly number of employees, including the directors, during the year was as follows:

| | 2017 | 2016 |
|-----------------------------------|-------------|-------------|
| | No. | No. |
| Production staff | 277 | 290 |
| Selling and Distribution | 79 | 75 |
| Administrative staff | 23 | 24 |
| Supervision and maintenance staff | 20 | 21 |
| | 399 | 410 |

8. Directors' remuneration

| | 2017 | 2016 |
|--|-------------|-------------|
| | £000 | £000 |
| Directors' emoluments | 380 | 383 |
| Contributions to defined contribution scheme | 18 | 35 |
| | 398 | 418 |

The highest paid director received remuneration of £260,000 (2016 - £241,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2016 - £NIL).

9. Income from investments

| | 2017 | 2016 |
|--|-------------|-------------|
| | £000 | £000 |
| Dividends received from unlisted investments | 32 | 35 |

CROCKETT AND JONES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

10. Interest receivable

| | 2017 | 2016 |
|---------------------------|-------------|-------------|
| | £000 | £000 |
| Other interest receivable | 26 | 2 |

11. Interest payable and similar charges

| | 2017 | 2016 |
|-----------------------|-------------|-------------|
| | £000 | £000 |
| Bank interest payable | 20 | 4 |

12. Taxation

| | 2017 | 2016 |
|--|--------------|-------------|
| | £000 | £000 |
| Corporation tax | | |
| Current tax on profits for the year | 941 | 727 |
| Deferred tax | | |
| Capital allowances | (17) | 50 |
| Reversal of pension | (146) | - |
| Change in tax rate | (21) | - |
| Total deferred tax | (184) | 50 |
| Taxation on profit on ordinary activities | 757 | 777 |

CROCKETT AND JONES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - *lower than*) the standard rate of corporation tax in the UK of 20% (2016 - 20.08%). The differences are explained below:

| | 2017 £000 | 2016 £000 |
|---|--------------|--------------|
| Profit on ordinary activities before tax | 5,278 | 3,942 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20.08%) | 1,056 | 792 |
| Effects of: | | |
| Income adjustments | (67) | (5) |
| Capital allowances in excess of depreciation | (17) | - |
| Changes in provisions leading to an increase (decrease) in the tax charge | (146) | 50 |
| Subsidiary adjustments on consolidation | (48) | (60) |
| Change in future tax rate | (21) | - |
| Total tax charge for the year | 757 | 777 |

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

13. Dividends

| | 28 February 2017 £000 | 29 February 2016 £000 |
|--|-----------------------------|-----------------------------|
| Equity dividends on ordinary £1 shares | 464 | 396 |

Equity dividends are recognised when they become legally payable. The dividends paid in the year to 28 February 2017 relate to the financial year ended 29 February 2016. More information about the dividends is given in the strategic report.

14. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and Loss Account in these financial statements. The profit after tax of the parent Company for the year was £4,271,000 (2016 - £2,865,000).

CROCKETT AND JONES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

15. Tangible fixed assets

Group

| | Freehold property £000 | Plant and machinery £000 | Motor vehicles £000 | Fixtures and fittings £000 | Office equipment £000 | Total £000 |
|--|------------------------------|--------------------------------|---------------------------|----------------------------------|-----------------------------|---------------|
| Cost or valuation | | | | | | |
| At 1 March 2016 | 696 | 1,391 | 158 | 4,655 | 331 | 7,231 |
| Additions | - | 138 | 83 | 568 | - | 789 |
| Disposals | - | (35) | (60) | (378) | - | (473) |
| At 28 February 2017 | 696 | 1,494 | 181 | 4,845 | 331 | 7,547 |
| Depreciation | | | | | | |
| At 1 March 2016 | 121 | 834 | 116 | 1,861 | 131 | 3,063 |
| Charge for the year on owned assets | 13 | 149 | 37 | 435 | - | 634 |
| Disposals | - | (35) | (56) | (378) | - | (469) |
| At 28 February 2017 | 134 | 948 | 97 | 1,918 | 131 | 3,228 |
| Net book value | | | | | | |
| At 28 February 2017 | 562 | 546 | 84 | 2,927 | 200 | 4,319 |
| At 29 February 2016 | 575 | 557 | 41 | 2,794 | 200 | 4,167 |

The net book value of land and buildings may be further analysed as follows:

| | 28 February 2017 £000 | 29 February 2016 £000 |
|----------|-----------------------------|-----------------------------|
| Freehold | 562 | 575 |
| | 562 | 575 |

CROCKETT AND JONES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

15. Tangible fixed assets (continued)

Company

| | Freehold property £000 | Plant and machinery £000 | Motor vehicles £000 | Fixtures and fittings £000 | Office equipment £000 | Total £000 |
|--|------------------------------|--------------------------------|---------------------------|----------------------------------|-----------------------------|---------------|
| Cost or valuation | | | | | | |
| At 1 March 2016 | 696 | 1,391 | 158 | 3,188 | 331 | 5,764 |
| Additions | - | 138 | 83 | - | - | 221 |
| Disposals | - | (35) | (60) | - | - | (95) |
| At 28 February 2017 | 696 | 1,494 | 181 | 3,188 | 331 | 5,890 |
| Depreciation | | | | | | |
| At 1 March 2016 | 121 | 834 | 116 | 1,210 | 131 | 2,412 |
| Charge for the year on owned assets | 13 | 149 | 37 | 239 | - | 438 |
| Disposals | - | (35) | (56) | - | - | (91) |
| At 28 February 2017 | 134 | 948 | 97 | 1,449 | 131 | 2,759 |
| Net book value | | | | | | |
| At 28 February 2017 | 562 | 546 | 84 | 1,739 | 200 | 3,131 |
| At 29 February 2016 | 575 | 557 | 41 | 1,977 | 200 | 3,350 |

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

| | 28 February 2017 £000 | 29 February 2016 £000 |
|--------------------------|-----------------------------|-----------------------------|
| Group | | |
| Cost | 37 | 37 |
| Accumulated depreciation | (13) | (12) |
| Net book value | 24 | 25 |

CROCKETT AND JONES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

16. Fixed asset investments

Group

| | Listed investments £000 |
|--------------------------|--|
| Cost or valuation | |
| At 1 March 2016 | 2,445 |
| Additions | 729 |
| Disposals | (915) |
| Revaluations | 418 |
| At 28 February 2017 | <u>2,677</u> |
| Net book value | |
| At 28 February 2017 | <u>2,677</u> |
| At 29 February 2016 | <u>2,445</u> |

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

| Name | Class of shares | Holding | Principal activity |
|--|----------------------------|----------------|--|
| C and J Paris SARL | Ordinary | 66 % | Retail sale of footwear and associated products in France |
| Crockett and Jones USA, Inc | Ordinary | 100 % | Retail sale of footwear and associated products in USA |
| Crockett and Jones Belgium | Ordinary | 66 % | Retail sale of footwear and associated products in Belgium |
| Crockett and Jones (Retail) Limited | Ordinary | 100 % | Dormant |

CROCKETT AND JONES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

16. Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 28 February 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

| | Aggregate of share capital and reserves 28 February £000 | Profit/(loss) 28 February £000 |
|-------------------------------------|---|--------------------------------------|
| C and J Paris SARL | 991 | 138 |
| Crockett and Jones USA, Inc | 1,134 | 104 |
| Crockett and Jones Belgium | 43 | 36 |
| Crockett and Jones (Retail) Limited | 65 | - |
| | <u>2,233</u> | <u>278</u> |

Listed investments

The fair value of the listed investments at 28 February 2017 was £2,676,000 (2016 - £2,575,000).

Company

| | Investments in subsidiary companies £000 | Listed investments £000 | Total £000 |
|--------------------------|--|-------------------------------|---------------|
| Cost or valuation | | | |
| At 1 March 2016 | 130 | 2,445 | 2,575 |
| Additions | - | 729 | 729 |
| Disposals | - | (915) | (915) |
| Revaluations | - | 418 | 418 |
| At 28 February 2017 | <u>130</u> | <u>2,677</u> | <u>2,807</u> |
| Net book value | | | |
| At 28 February 2017 | <u>130</u> | <u>2,677</u> | <u>2,807</u> |
| At 29 February 2016 | <u>130</u> | <u>2,445</u> | <u>2,575</u> |

CROCKETT AND JONES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

17. Stocks

| | Group | <i>Group</i> | Company | <i>Company</i> |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 28 February | <i>29 February</i> | 28 February | <i>29 February</i> |
| | 2017 | <i>2016</i> | 2017 | <i>2016</i> |
| | £000 | <i>£000</i> | £000 | <i>£000</i> |
| Raw materials and consumables | 1,521 | 1,566 | 1,521 | 1,566 |
| Work in progress (goods to be sold) | 1,243 | 1,171 | 1,243 | 1,171 |
| Finished goods and goods for resale | 5,245 | 4,872 | 4,023 | 3,940 |
| | 8,009 | <i>7,609</i> | 6,787 | <i>6,677</i> |

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised in cost of sales during the year as an expense was £7,368,000 (2016 - £7,169,000).

18. Debtors

| | Group | <i>Group</i> | Company | <i>Company</i> |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 28 February | <i>29 February</i> | 28 February | <i>29 February</i> |
| | 2017 | <i>2016</i> | 2017 | <i>2016</i> |
| | £000 | <i>£000</i> | £000 | <i>£000</i> |
| Trade debtors | 2,500 | 3,054 | 2,480 | 3,041 |
| Amounts owed by group undertakings | - | - | 1,492 | 1,134 |
| Other debtors | 470 | 216 | 348 | 84 |
| Prepayments and accrued income | 403 | 223 | 309 | 159 |
| Tax recoverable | 80 | 196 | - | - |
| | 3,453 | <i>3,689</i> | 4,629 | <i>4,418</i> |

19. Cash and cash equivalents

| | Group | <i>Group</i> | Company | <i>Company</i> |
|--------------------------|--------------------|--------------------|--------------------|--------------------|
| | 28 February | <i>29 February</i> | 28 February | <i>29 February</i> |
| | 2017 | <i>2016</i> | 2017 | <i>2016</i> |
| | £000 | <i>£000</i> | £000 | <i>£000</i> |
| Cash at bank and in hand | 9,445 | 5,834 | 7,958 | 4,399 |
| | 9,445 | <i>5,834</i> | 7,958 | <i>4,399</i> |

CROCKETT AND JONES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

20. Creditors: Amounts falling due within one year

| | Group | Group | Company | Company |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 28 February | 29 February | 28 February | 29 February |
| | 2017 | 2016 | 2017 | 2016 |
| | £000 | £000 | £000 | £000 |
| Trade creditors | 744 | 803 | 556 | 487 |
| Amounts owed to group undertakings | - | - | 65 | 65 |
| Corporation tax | 521 | 431 | 521 | 431 |
| Other taxation and social security | 324 | 353 | 228 | 299 |
| Other creditors | 871 | 738 | 755 | 563 |
| Accruals and deferred income | 377 | 386 | 373 | 383 |
| | <u>2,837</u> | <u>2,711</u> | <u>2,498</u> | <u>2,228</u> |

21. Creditors: Amounts falling due after more than one year

| | Group | Group | Company | Company |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 28 February | 29 February | 28 February | 29 February |
| | 2017 | 2016 | 2017 | 2016 |
| | £000 | £000 | £000 | £000 |
| Other creditors | 487 | 328 | - | - |
| Share capital treated as debt | 26 | 26 | 26 | 26 |
| | <u>513</u> | <u>354</u> | <u>26</u> | <u>26</u> |

CROCKETT AND JONES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

22. Financial instruments

| | Group 28 February 2017 £000 | Group 29 February 2016 £000 | Company 28 February 2017 £000 | Company 29 February 2016 £000 |
|---|--------------------------------------|--------------------------------------|--|--|
| Financial assets | | | | |
| Financial assets measured at fair value through profit or loss | 9,445 | 5,834 | 7,958 | 4,399 |
| Financial assets that are debt instruments measured at amortised cost | 2,970 | 3,270 | 4,320 | 4,259 |
| | <u>12,415</u> | <u>9,104</u> | <u>12,278</u> | <u>8,658</u> |
| Financial liabilities | | | | |
| Financial liabilities measured at amortised cost | (1,935) | (1,894) | (1,602) | (1,414) |
| | <u>(1,935)</u> | <u>(1,894)</u> | <u>(1,602)</u> | <u>(1,414)</u> |

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, tax payments and social security and other creditors.

23. Deferred taxation

Group

| | 2017 £000 |
|-------------------------------|---------------------|
| At beginning of year | (422) |
| Charged to the profit or loss | 184 |
| At end of year | <u><u>(238)</u></u> |

The provision for deferred taxation is made up as follows:

| | Group 28 February 2017 £000 | Company 28 February 2017 £000 |
|--------------------------------|--------------------------------------|--|
| Accelerated capital allowances | <u>(238)</u> | <u>(238)</u> |

CROCKETT AND JONES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

24. Share capital

| | 28 February 2017 £000 | 29 February 2016 £000 |
|---|--------------------------------------|--------------------------------------|
| Shares classified as equity | | |
| Authorised | | |
| 209,992 Ordinary shares shares of £1 each | 210 | 210 |
| 18,537 A Ordinary shares shares of £1 each | 19 | 19 |
| 131,463 9.75% A cumulative redeemable preference shares shares of £1 each | 131 | 131 |
| | 360 | 360 |
| Allotted, called up and fully paid | | |
| 121,709 Ordinary shares shares of £1 each | 122 | 122 |
| | | |
| | 28 February 2017 £000 | 29 February 2016 £000 |
| Shares classified as debt | | |
| Authorised | | |
| 40,008 4.2% cumulative preference shares shares of £1 each | 40 | 40 |
| | | |
| Allotted, called up and fully paid | | |
| 26,162 4.2% cumulative preference shares shares of £1 each | 26 | 26 |

CROCKETT AND JONES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2017**

25. Reserves

Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs. There was no movement on the share premium reserve in the financial year.

Revaluation reserve

The revaluation reserve is used for the surplus on the revaluation of the property. Each year an amount is transferred from this reserve to the profit & loss reserve which represents depreciation on the surplus.

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company. There was no movement on the capital redemption reserve in the financial year.

Profit and loss account

Includes all current and prior years' accumulated profits and losses.

The movement in reserves are shown in the Consolidated and Company Statements of changes in equity.

CROCKETT AND JONES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

26. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £738,000 (2016 - £762,000). Contributions totalling £87,000 (2016 - £72,000) were payable to the fund at the balance sheet date.

The Group operated a Defined Benefit Pension Scheme.

The Group operated a defined benefit pension scheme in the UK. This was a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. In August 2011, the scheme's assets were transferred to MetLife (now part of Rothesay Life) to buy-in all members' benefits. This exercise covered all scheme benefits, including the money purchase benefits with a GMP underpin that accrued between 6 April 1992 and 6 April 1997. Existing pensions in payment as at that date had already been secured with insurance companies in the name of the Trustees and they were therefore not covered under the buy-in. On 27 July 2015, the trustees were fully discharged from these pension scheme liabilities. As at 29 February 2016, the only remaining scheme liabilities and assets were in respect of the pensions in payment still held in the trustees' name which, for consistency with the approach taken in previous years, are excluded from these disclosures.

A full actuarial valuation was carried out at 1 January 2010 and updated to 27 July 2015 by a qualified actuary, independent of the scheme's sponsoring employer.

This most recent actuarial valuation showed a deficit of £918,000. The company had agreed with the trustees that it would aim to eliminate the deficit over a period of 9 years from 1 January 2011 by the payment of annual contributions of £76,800 in respect of the deficit. However, as a result of the buy-in transaction, no contributions were required in the year ended 28 February 2017.

The defined benefit pension scheme was wound up and was closed on 13 July 2016. As such, there is no asset or liability in relation to the scheme as at 28 February and there are no disclosed assumptions this year.

The amounts recognised in profit or loss are as follows:

| | 28 February 2017 £000 | 29 February 2016 £000 |
|----------------------|-----------------------------|-----------------------------|
| Current service cost | 1 | (8) |
| Total | 1 | (8) |

The cumulative amount of actuarial gains and losses recognised in the Consolidated Profit and Loss Account was £NIL (2016 - £NIL).

The Group expects to contribute £NIL to its Defined Benefit Pension Scheme in 2018.

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

| | 2017 % | 2016 % |
|---|-----------|-----------|
| Discount rate | - | 3.5 |
| Allowance for revaluation of deferred pensions of RPI or 5% p.a if less | - | 3.2 |

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26. Pension commitments (continued)

| | | |
|---|----------|-----------|
| Inflation assumption | - | 3.2 |
| Mortality rates | | |
| - for a male aged 65 now | - | 23.7 |
| - at 65 for a male aged 45 now | - | 25.7 |
| - for a female aged 65 now | - | 26.2 |
| - at 65 for a female member aged 45 now | - | 28 |
| | <u>-</u> | <u>28</u> |

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

| | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|-------------|--------------|-------------|-------------|-------------|
| | £000 | £000 | £000 | £000 | £000 |
| Defined benefit obligation | - | - | (3,019) | (2,536) | (2,450) |
| Scheme assets | - | - | 3,019 | 2,536 | 2,450 |
| Surplus | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Experience adjustments on scheme liabilities | - | - | - | - | - |
| Experience adjustments on scheme assets | - | (131) | 420 | 25 | 114 |
| | <u>-</u> | <u>(131)</u> | <u>420</u> | <u>25</u> | <u>114</u> |

27. Commitments under operating leases

At 28 February 2017 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

| | Group | Group | Company | Company |
|--|--------------------|--------------------|--------------------|--------------------|
| | 28 February | 29 February | 28 February | 29 February |
| | 2017 | 2016 | 2017 | 2016 |
| | £000 | £000 | £000 | £000 |
| Not later than 1 year | 1,878 | 1,342 | 1,227 | 1,175 |
| Later than 1 year and not later than 5 years | 6,693 | 5,161 | 4,464 | 4,659 |
| Later than 5 years | 3,654 | 2,495 | 1,800 | 2,495 |
| | <u>12,225</u> | <u>8,998</u> | <u>7,491</u> | <u>8,329</u> |

CROCKETT AND JONES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017

28. Related party transactions

The company was under no overall control throughout the current and previous year.

During the year the company made sales totalling £1,158,336 (2016 - £912,122) to C and J Paris Sarl; £836,151 (2016 - £802,241) to Crockett and Jones USA, Inc. and £159,227 (2016 - £146,009) to Crockett & Jones Belgium. Each of the companies is a subsidiary undertaking. During the year the company raised management charges totalling £386,250 (2016 - £nil) to Crockett and Jones USA, Inc. During the year the company made a contribution of £50,000 (2016 - £46,154) towards advertising costs incurred by C and J Paris Sarl.

At 28 February 2017, C and J Paris Sarl owed an amount of £435,292 (2016: £85,698) to the company on normal trade accounts and a balance of £240,899 (2016 - £290,920) was due on a loan account. Interest totalling £6,405 (2016 - £3,482) was charged on the loan account during the year. There is no fixed date for repayment of the loan.

At 28 February 2017, Crockett and Jones USA, Inc owed the company £69,597 (2016: £87,205) on normal trade accounts and £518,016 (2016: £420,731) was due on a loan account. Interest totalling £nil (2016 - £3,850) was charged on the loan account during the year. There is no fixed date for repayment of the loan.

At 28 February 2017, Crockett & Jones Belgium, owed the company £78,513 (2016 - £100,055) on normal trade accounts and £149,372 (2016: £149,372) was due on a loan account. Interest totalling £3,118 (2016: £3,118) was charged on the loan account during the year. There is no fixed date for repayment of the loan.

At 28 February 2017 the company owed Crockett and Jones (Retail) Limited £64,684 (2016 - £64,684) on an interest free loan account. There is no fixed date for repayment of the loan.