

Company Registration No. 04499810 (England and Wales)

HOUSE OF DORCHESTER LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017

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HOUSE OF DORCHESTER LIMITED

COMPANY INFORMATION

Directors	G Weston A C Batson
Secretary	A C Batson
Company number	04499810
Registered office	One The Royal Arcade 28 Old Bond Street London W1S 4BT
Auditor	Wilkins Kennedy LLP Globe House, Eclipse Park Sittingbourne Road Maidstone Kent ME14 3EN

HOUSE OF DORCHESTER LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4 - 5
Profit and loss account	6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10 - 23

HOUSE OF DORCHESTER LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 30 APRIL 2017

The directors present the strategic report for the year ended 30 April 2017.

Business review

Development and Financial Performance During the Year

As reported in the company's profit and loss account on page 6, turnover during the year has increased from £5,678,499 to £5,979,071. Profit after tax of increased from £310,619 to £424,225. The results are considered to be satisfactory.

Current trading for 2018 is in line with expectations.

Key performance indicators

Management use a range of performance measures to monitor and manage the business. The KPIs used to determine the progress and performance of the company are set out below:

Turnover

As indicated above, the company's turnover in the year increased by 5.29% compared to the previous year.

Gross profit margin

The company's gross profit margin increased in the year under review from 34.68% to 35.88%.

Financial position at the reporting date

The balance sheet shows that the company's net assets at the year end have increased from £503,466 to £927,691.

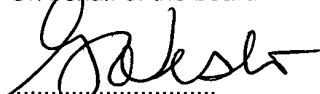
Principal risks and uncertainties facing the business

Management continually monitor the key risks facing the company, together with assessing the controls used for managing these risks. The board of directors formally reviews and documents the principal risks facing the business at least annually.

The principal risks and uncertainties facing the company are as follows:

- Economic downturn - the company acknowledges the importance of maintaining close relationships with its key customers in order to be able to identify the early signs of potential financial difficulties. Sales trends in its major markets are constantly reviewed to enable early action to be taken in the event of sales declining.
- Competitor pressure - the market in which the company operates is considered to be relatively competitive, and therefore competitor pressure could result in losing sales to key competitors. The company manages this risk by providing quality products and maintaining strong relationships with its key customers.
- Reliance on key suppliers - the company's purchasing activities could expose it to over reliance on certain suppliers and inflationary pricing pressures. The company manages this risk by ensuring there is enough breadth in its supplier base and by constantly seeking to find alternative suppliers that may be used, if necessary.
- Loss of key personnel - this would present significant operational difficulties for the company. Management seek to ensure that key personnel are appropriately remunerated to ensure that good performance is recognised.

On behalf of the board



G Weston

Director

19-1-2018

HOUSE OF DORCHESTER LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 APRIL 2017

The directors present their annual report and financial statements for the year ended 30 April 2017.

Principal activities

The principal activity of the company continued to be that of a premium chocolate manufacturer.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

G Weston
A C Batson

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Financial instruments

The company's principal financial instruments comprise trade debtors, bank balances, bank and other loan facilities and trade creditors. The main purpose of these instruments is to raise funds for and to finance the company's operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risks. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of trade debtors the risk is managed by the credit control policies which the company has in place.

The liquidity risk of bank balances is managed by transferring funds to obtain the maximum amount of interest, whilst not impacting on the financial needs of the company.

For bank and other loan facilities and trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due and that borrowings are flexible and available in the medium term.

Future developments

The company is well poised to develop its main core business and continues to address the effect of competitive pressures.

Auditor

In accordance with the company's articles, a resolution proposing that Wilkins Kennedy LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board


G Weston
Director

19-1-2018

HOUSE OF DORCHESTER LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 APRIL 2017

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then 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;
- 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. 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.

HOUSE OF DORCHESTER LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HOUSE OF DORCHESTER LIMITED

We have audited the financial statements of House of Dorchester Limited for the year ended 30 April 2017 which comprise the Profit And Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2017 and of its 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 matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

HOUSE OF DORCHESTER LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HOUSE OF DORCHESTER LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Wilkins Kennedy LLP

Marc Farmer FCA (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy LLP

19-1-2018

Chartered Accountants
Statutory Auditor

Globe House, Eclipse Park
Sittingbourne Road
Maidstone
Kent
ME14 3EN

HOUSE OF DORCHESTER LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2017

	Notes	2017 £	2016 £
Turnover	3	5,979,071	5,678,499
Cost of sales		(3,833,608)	(3,709,203)
Gross profit		<u>2,145,463</u>	<u>1,969,296</u>
Distribution costs		(223,739)	(256,827)
Administrative expenses		(1,336,519)	(1,242,511)
Operating profit	4	<u>585,205</u>	<u>469,958</u>
Interest receivable and similar income	6	162	156
Interest payable and similar expenses	7	(38,016)	(45,769)
Profit before taxation		<u>547,351</u>	<u>424,345</u>
Taxation	8	(123,126)	(113,726)
Profit for the financial year		<u><u>424,225</u></u>	<u><u>310,619</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

HOUSE OF DORCHESTER LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2017

	2017	2016
	£	£
Profit for the year	424,225	310,619
Other comprehensive income	-	-
Total comprehensive income for the year	<u>424,225</u>	<u>310,619</u>

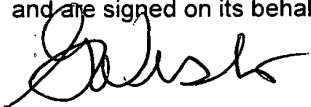
HOUSE OF DORCHESTER LIMITED

BALANCE SHEET

AS AT 30 APRIL 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Goodwill	9		-		77,542
Tangible assets	10		1,569,135		1,594,092
Investments	11		187,000		187,000
			<u>1,756,135</u>		<u>1,858,634</u>
Current assets					
Stocks	13	444,687		377,148	
Debtors	14	880,884		700,707	
Cash at bank and in hand		889,645		333,554	
		<u>2,215,216</u>		<u>1,411,409</u>	
Creditors: amounts falling due within one year	15	(2,448,185)		(2,064,574)	
Net current liabilities			(232,969)		(653,165)
Total assets less current liabilities			<u>1,523,166</u>		<u>1,205,469</u>
Creditors: amounts falling due after more than one year	16		(568,003)		(702,003)
Provisions for liabilities	18		(27,472)		-
Net assets			<u>927,691</u>		<u>503,466</u>
Capital and reserves					
Called up share capital	20		1,300		1,300
Share premium account			485,500		485,500
Revaluation reserve			616,343		623,895
Capital redemption reserve			200		200
Profit and loss reserves			(175,652)		(607,429)
Total equity			<u>927,691</u>		<u>503,466</u>

The financial statements were approved by the board of directors and authorised for issue on 19-1-2018 and are signed on its behalf by:



G Weston
Director

Company Registration No. 04499810

HOUSE OF DORCHESTER LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2017

	Share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 May 2015	1,300	485,500	631,447	200	(925,600)	192,847
Year ended 30 April 2016:						
Profit and total comprehensive income for the year	-	-	-	-	310,619	310,619
Transfers	-	-	(7,552)	-	7,552	-
Balance at 30 April 2016	1,300	485,500	623,895	200	(607,429)	503,466
Year ended 30 April 2017:						
Profit and total comprehensive income for the year	-	-	-	-	424,225	424,225
Transfers	-	-	(7,552)	-	7,552	-
Balance at 30 April 2017	1,300	485,500	616,343	200	(175,652)	927,691

HOUSE OF DORCHESTER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017

1 Accounting policies

Company information

House of Dorchester Limited is a private company limited by shares incorporated in England and Wales. The registered office is One The Royal Arcade, 28 Old Bond Street, London, W1S 4BT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Advantage has been taken of the exemption from the requirement to present a cash flow statement as part of the company's financial statements as the company is a qualifying entity, it being a member of a group that prepares publically available consolidated financial statements.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents the invoiced value of goods sold during the year, stated net of value added tax. Turnover is recognised when the risks and rewards of owning the goods have passed to the customer which is generally on delivery. This applies to sales through our website or in stores.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Leasehold property are included at their valuation as at June 2014, plus subsequent additions at cost, less depreciation and any impairment losses. The valuations at June 2014 are treated as deemed cost in accordance with the provisions of Section 35.10 (d) of FRS 102.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold property	2% - 20% on cost
Plant and equipment	7.5% - 33.33% on cost
Fixtures and fittings	10% - 15% on cost
Computer equipment	33% on cost

HOUSE OF DORCHESTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost 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, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

Cash at bank are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

HOUSE OF DORCHESTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

1 Accounting policies

(Continued)

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

HOUSE OF DORCHESTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and 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 finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

HOUSE OF DORCHESTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

1.16 Pension scheme

The company operates defined contribution pension schemes and the pension charge represents the amounts payable by the company to the funds in respect of the period.

HOUSE OF DORCHESTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Assessing indicators of impairment

In assessing whether there have been any indicators of impairment assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no material indicators of impairments identified during the current financial year other than in respect of bad and doubtful trade debtor balances recognised in the financial statements.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimating value in use

Where an indication of impairment exists the directors will carry out an impairment review to determine the recoverable amount, which is the higher of fair value less cost to sell and value in use. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the asset or the cash generating unit and a suitable discount rate in order to calculate present value.

Recoverability of receivables

The company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors consider factors such as the ageing of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

Determining residual values and useful economic lives of tangible fixed assets

The company depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for tangible fixed assets. When determining the residual value management aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

HOUSE OF DORCHESTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017	2016
	£	£
Turnover		
Principal activity	5,979,071	5,678,499

Turnover analysed by geographical market

	2017	2016
	£	£
United Kingdom	4,480,514	4,418,084
Other	1,498,557	1,260,415
	<u>5,979,071</u>	<u>5,678,499</u>

4 Operating profit

	2017	2016
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(26,273)	(64,461)
Fees payable to the company's auditor for the audit of the company's financial statements	9,918	10,196
Depreciation of owned tangible fixed assets	124,081	127,005
Loss/(profit) on disposal of tangible fixed assets	8,074	(6,128)
Amortisation of intangible assets	77,542	77,543
Cost of stocks recognised as an expense	2,154,437	2,069,041
Operating lease charges	120,912	110,045

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017	2016
	Number	Number
Production	60	64
Administration	33	35
	<u>93</u>	<u>99</u>

HOUSE OF DORCHESTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

5 Employees

(Continued)

Their aggregate remuneration comprised:

	2017	2016
	£	£
Wages and salaries	1,991,790	1,956,530
Social security costs	132,710	135,188
Pension costs	27,940	28,449
	<u>2,152,440</u>	<u>2,120,167</u>

6 Interest receivable and similar income

	2017	2016
	£	£
Interest income		
Interest on bank deposits	162	156
	<u>162</u>	<u>156</u>

7 Interest payable and similar expenses

	2017	2016
	£	£
Interest on bank overdrafts and loans	3,575	6,261
Other interest on financial liabilities	34,441	39,508
	<u>38,016</u>	<u>45,769</u>

8 Taxation

	2017	2016
	£	£
Current tax		
UK corporation tax on profits for the current period	41,847	-
	<u>41,847</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	81,279	113,726
	<u>81,279</u>	<u>113,726</u>
Total tax charge	<u>123,126</u>	<u>113,726</u>

HOUSE OF DORCHESTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

8 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	547,351	424,345
Expected tax charge based on the standard rate of corporation tax in the UK of 19.92% (2016: 20.00%)	109,032	84,869
Tax effect of expenses that are not deductible in determining taxable profit	426	-
Tax effect of income not taxable in determining taxable profit	-	(976)
Adjustments in respect of prior years	-	7,303
Deferred tax adjustments in respect of prior years	(4,497)	15,468
Fixed asset timing differences	18,165	7,062
Taxation charge for the year	123,126	113,726

9 Intangible fixed assets

	Goodwill £
Cost	
At 1 May 2016 and 30 April 2017	519,497
Amortisation and impairment	
At 1 May 2016	441,955
Amortisation charged for the year	77,542
At 30 April 2017	519,497
Carrying amount	
At 30 April 2017	-
At 30 April 2016	77,542

HOUSE OF DORCHESTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

10 Tangible fixed assets

	Leasehold property £	Plant and equipment £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 May 2016	1,847,037	1,752,069	89,933	112,324	3,801,363
Additions	50,216	56,380	-	600	107,196
Disposals	(50,107)	(65,801)	(63,894)	(6,446)	(186,248)
At 30 April 2017	1,847,146	1,742,648	26,039	106,478	3,722,311
Depreciation and impairment					
At 1 May 2016	589,150	1,429,757	77,736	110,625	2,207,268
Depreciation charged in the year	32,363	80,549	9,978	1,191	124,081
Eliminated in respect of disposals	(49,811)	(59,863)	(62,053)	(6,446)	(178,173)
At 30 April 2017	571,702	1,450,443	25,661	105,370	2,153,176
Carrying amount					
At 30 April 2017	1,275,444	292,205	378	1,108	1,569,135
At 30 April 2016	1,257,886	322,313	12,195	1,698	1,594,092

Included within leasehold property are leasehold improvements in respect of Poundbury, Wyvern and Alton with a net book value of £140,776 (2016: £104,316).

11 Fixed asset investments

	Notes	2017 £	2016 £
Investments in subsidiaries	12	187,000	187,000

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 May 2016 & 30 April 2017	187,000
Carrying amount	
At 30 April 2017	187,000
At 30 April 2016	187,000

HOUSE OF DORCHESTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

12 Subsidiaries

Details of the company's subsidiaries at 30 April 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Personalized Products Limited	England and Wales	Dormant	Ordinary	100.00	
Dorchester Chocolates Limited	England and Wales	Dormant	Ordinary	100.00	

13 Stocks

	2017 £	2016 £
Raw materials and consumables	362,663	295,207
Work in progress	35,546	29,592
Finished goods and goods for resale	46,478	52,349
	<u>444,687</u>	<u>377,148</u>

14 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	592,383	382,072
Corporation tax recoverable	-	13,466
Other debtors	54,500	66,369
Prepayments and accrued income	234,001	184,993
	<u>880,884</u>	<u>646,900</u>
Deferred tax asset (note 19)	-	53,807
	<u>880,884</u>	<u>700,707</u>

15 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	17	134,000	123,437
Trade creditors		678,003	371,785
Amounts due to group undertakings		1,281,864	1,278,814
Corporation tax		41,847	-
Other taxation and social security		179,136	201,803
Accruals and deferred income		133,335	88,735
		<u>2,448,185</u>	<u>2,064,574</u>

HOUSE OF DORCHESTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

16 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	17	568,003	702,003

17 Loans and overdrafts

	2017 £	2016 £
Bank loans	702,003	825,440
Payable within one year	134,000	123,437
Payable after one year	568,003	702,003

The long-term loans are secured by a fixed and floating charge over all of the company's assets. The loan bears interest at 4.55% and is fully repayable by 23 July 2024.

18 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities	19	27,472	-
		27,472	-

19 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2017 £	Liabilities 2016 £	Assets 2017 £	Assets 2016 £
Balances:				
Accelerated capital allowances	29,347	-	-	(26,752)
Tax losses	-	-	-	4,977
Other timing differences	(1,875)	-	-	75,582
	27,472	-	-	53,807

HOUSE OF DORCHESTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

19	Deferred taxation	(Continued)	
	Movements in the year:	2017	£
	Liability/(Asset) at 1 May 2016	(53,807)	
	Charge to profit or loss	81,279	
	Liability at 30 April 2017	<u>27,472</u>	
20	Share capital	2017	2016
		£	£
	Ordinary share capital		
	Issued and fully paid		
	1,300 Ordinary shares of £1 each	<u>1,300</u>	<u>1,300</u>
21	Financial commitments, guarantees and contingent liabilities		
	At 30 April 2017 there was a commitment of £555,249 (2016: £361,736) to purchase bulk supplies of raw ingredients from one of its main suppliers.		
22	Operating lease commitments		
	Lessee		
	At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:		
		2017	2016
		£	£
	Within one year	95,886	129,427
	Between two and five years	342,143	354,917
	In over five years	1,544,167	1,629,167
		<u>1,982,196</u>	<u>2,113,511</u>
23	Capital commitments		
	Amounts contracted for but not provided in the financial statements:		
		2017	2016
		£	£
	Acquisition of tangible fixed assets	<u>199,829</u>	<u>8,683</u>

HOUSE OF DORCHESTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

24 Related party transactions

The Company is a wholly-owned member of Richmond Corporation Limited Group and as such has taken advantage of the exemption permitted by Section 33 *Related Party Disclosures*, not to provide disclosures of transactions entered into with other wholly-owned members of the Group.

25 Controlling party

The ultimate parent company is Madera Investments Limited, which is incorporated in the Cayman Islands.

The company's immediate UK parent company is Charbonnel et Walker Limited, a company incorporated in England and Wales. The company's UK parent company is Richmond Corporation Limited, a company incorporated in England and Wales, which is the parent undertaking of the smallest and largest group of which the company is a member and for which group financial statements are prepared. Copies of the group accounts can be obtained from One The Royal Arcade, 28 Old Bond Street, London W1S 4BT.