Company Registration Number 451921

ChantreyVellacottDFKLLP



Crockett and Jones Limited

Annual report

29 February 2012

Crockett and Jones Limited

Annual report

Year ended 29 February 2012

ChantreyVellacottDFKLLP

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Crockett and Jones Limited

Officers and professional advisers

The board of directors	R M Jones J P M Jones Prof E Wilson-Jones N M Jones
Company secretary	J C Banks
Registered office	27 Perry Street Northampton NN1 4HN
Auditor	Chantrey Vellacott DFK LLP Chartered Accountants Statutory Auditor Cheviot House 53 Sheep Street Northampton NN1 2NE
Bankers	Barclays Bank Plc Level 27 1 Churchill Place London E14 5HP
Solicitors	Hewitsons 7 Spencer Parade Northampton NN1 5AB

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The directors have pleasure in presenting their report and the audited financial statements of the group for the year ended 29 February 2012

Principal activities and business review
The principal activity of the company is the manufacture and sale of footwear and associated products

The results of the group for the year show an operating profit of £3,291,171 (2011 £2,813,168) and sales of £22,127,443 (2011 £19,699,992) The group had net cash funds at the year end of £3,916,123 (2011 £3,930,008) Net cash inflow from operating activities for the year was £2,206,266 (2011 £2,775,543)

The results for the year have been enhanced by a strong performance in the London and New York retail shops A new flagship store was opened in August 2011 at 92 Jermyn Street, London

The company finished the year with a strong order book and with sales exceeding production We are focusing in the current year on increased production to support the growth in sales We are continuing to invest in retail growth and have recently signed a lease on a new shop in Knightsbridge, London, which is scheduled to open at the end of August 2012

Results and dividends
The profit for the year, after taxation, amounted to £2,478,816 Particulars of dividends paid and proposed are detailed in note 11 to the financial statements

The directors recommend that a final dividend of 130p (2011 108p) a share should be paid The total dividends payable in respect of the year ended 29 February 2012 total 238p a share (2011 216p)

Financial risk management objectives and policies
The management of the business and the execution of the company's strategy are subject to a number of risks

The key business risks and uncertainties affecting the company are considered to relate to the company having a strong order book to enable the company's 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 Euros and US$ to protect its position against fluctuation on exchange for sales made in foreign currencies The company is exposed to the usual credit risk and cash flow risk associated with its business and manages this through tight credit control procedures

The directors monitor the performance of the company on a regular ongoing basis using a number of performance indicators including the strength of the order book, factory production, and the level of sales from its retail shops In addition there are monthly routines to monitor the profitability and cash flow of the company

Given the straightforward nature of the company's business, the directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business

No material uncertainties that cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors

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Directors
The directors who served the company during the year were as follows

R M Jones
J P M Jones
Prof E Wilson-Jones
N M Jones

Fixed assets
The directors are of the opinion that the market value of land and buildings is in excess of the book value However, in the absence of any plans to make any major sales the cost of a professional valuation is not considered justified

Directors' responsibilities
The directors are responsible for preparing the directors' 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 the group and of the profit or loss of the group for that year In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- 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 group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Insofar as the directors are aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Donations
During the year the company made the following contributions

	2012 £	2011 £
Charitable	**4,933**	5,237

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Disabled employees
The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate

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 Regular meetings are held between local management and employees to allow a free flow of information and ideas

Auditor
Chantrey Vellacott DFK LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Signed by order of the directors



J C Banks
Company Secretary

Approved by the directors on 11th July 2012

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Independent auditor's report to the shareholders of Crockett and Jones Limited

Year ended 29 February 2012

We have audited the group and parent company financial statements ("the financial statements") of Crockett and Jones Limited for the year ended 29 February 2012 which comprise the group profit and loss account, group statement of total recognised gains and losses, group balance sheet and company balance sheet, group cash flow statement 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)

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 set out on page 4, the directors are responsible for the preparation of the Annual Report, 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by 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 If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

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Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 29 February 2012 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report

ELLIOT HARRIS (Senior Statutory Auditor)
for and on behalf of
CHANTREY VELLACOTT DFK LLP
Chartered Accountants
Statutory Auditor

Cheviot House
53 Sheep Street
Northampton
NN1 2NE

11th July 2012

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Crockett and Jones Limited

Group profit and loss account

Year ended 29 February 2012

	Note	2012 £	2011 £
Group turnover	2	**22,127,443**	19,699,992
Change in stocks of finished goods and work in progress		**319,644**	(237,161)
Other operating income	3	**49,239**	47,093
		22,496,326	19,509,924
Raw materials and consumables		**6,406,118**	5,573,773
Other external charges		**289,206**	284,113
Staff costs	4	**8,574,260**	7,451,916
Depreciation written off fixed assets	5	**268,470**	227,576
Other operating charges		**3,667,101**	3,159,378
Operating profit	5	**3,291,171**	2,813,168
Interest receivable and similar income	7	**34,367**	26,861
Interest payable and similar charges	8	**(22,978)**	(39,471)
Profit on ordinary activities before taxation		**3,302,560**	2,800,558
Tax on profit on ordinary activities	9	**785,121**	757,488
Profit on ordinary activities after taxation		**2,517,439**	2,043,070
Minority interests		**38,623**	21,043
Profit attributable to members of the parent company	10	**2,478,816**	2,022,027
Profit for the financial year		**2,478,816**	2,022,027

All of the activities of the group are classed as continuing

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account

The notes on pages 12 to 31 form part of these financial statements

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Crockett and Jones Limited

Group statement of total recognised gains and losses

Year ended 29 February 2012

	2012 £	2011 £
Profit for the financial year attributable to the shareholders of the parent company	**2,478,816**	2,022,027
Actuarial gain/(loss) in respect of defined benefit pension scheme	**(631,000)**	5,000
Deferred tax in respect of defined benefit pension scheme	**(37,800)**	(21,000)
Total gains and losses recognised since the last annual report	**1,810,016**	2,006,027

Group note of historical cost profits and losses

Year ended 29 February 2012

	2012 £	2011 £
Reported profit on ordinary activities before taxation	**3,302,560**	2,800,558
Difference between a historical cost depreciation charge and the actual charge calculated on the revalued amount	**5,405**	5,405
Historical cost profit on ordinary activities before taxation	**3,307,965**	2,805,963
Historical cost profit for the year after taxation and minority interests	**2,484,221**	2,027,432

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The notes on pages 12 to 31 form part of these financial statements

Crockett and Jones Limited

Group balance sheet

As at 29 February 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	12	**2,477,002**	1,602,362
Current assets			
Stocks	14	**4,263,438**	3,733,507
Debtors	15	**2,691,218**	2,360,546
Cash at bank and in hand		**3,962,134**	4,023,392
		10,916,790	10,117,445
Creditors amounts falling due within one year	16	**2,231,275**	2,112,708
Net current assets		**8,685,515**	8,004,737
Total assets less current liabilities		**11,162,517**	9,607,099
Creditors amounts falling due after more than one year	17	**46,011**	93,384
Provisions for liabilities			
Deferred taxation	18	**204,426**	90,182
Net assets excluding pension liability		**10,912,080**	9,423,533
Defined benefit pension scheme liability	19	**–**	(97,200)
		10,912,080	9,326,333
Capital and reserves			
Called up equity share capital	23	**121,709**	121,709
Share premium account	24	**484,557**	484,557
Revaluation reserve	24	**205,390**	210,795
Other reserves	24	**221,201**	221,201
Profit and loss account	24	**9,710,977**	8,158,447
Shareholders' funds	25	**10,743,834**	9,196,709
Minority interests		**168,246**	129,624
		10,912,080	9,326,333

These financial statements were approved by the directors and authorised for issue on 11th July 2012, and are signed on their behalf by

J P M Jones

Company Registration Number 451921

The notes on pages 12 to 31 form part of these financial statements

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Crockett and Jones Limited

Balance sheet

As at 29 February 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	12	1,881,404	956,809
Investments	13	816,630	1,138,627
		2,698,034	2,095,436
Current assets			
Stocks	14	3,509,957	3,134,695
Debtors	15	2,668,751	2,492,338
Cash at bank and in hand		3,632,210	3,487,880
		9,810,918	9,114,913
Creditors amounts falling due within one year	16	1,758,300	1,732,765
Net current assets		8,052,618	7,382,148
Total assets less current liabilities		10,750,652	9,477,584
Creditors amounts falling due after more than one year	17	26,162	26,162
Provisions for liabilities			
Deferred taxation	18	204,426	90,182
Net assets excluding pension liability		10,520,064	9,361,240
Defined benefit pension scheme liability	19	–	(97,200)
Net assets including pension liability		10,520,064	9,264,040
Capital and reserves			
Called up equity share capital	23	121,709	121,709
Share premium account	24	484,557	484,557
Revaluation reserve	24	205,390	210,795
Other reserves	24	221,201	221,201
Profit and loss account	24	9,487,207	8,225,778
Shareholders' funds		10,520,064	9,264,040

These financial statements were approved by the directors and authorised for issue on 11th July 2012, and are signed on their behalf by

J P M Jones

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The notes on pages 12 to 31 form part of these financial statements

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Crockett and Jones Limited

Group cash flow statement

Year ended 29 February 2012

	Note	2012 £	2011 £
Net cash inflow from operating activities	26	**2,206,266**	2,775,543
Returns on investments and servicing of finance	26	**17,594**	7,230
Taxation	26	**(831,744)**	(789,301)
Capital expenditure and financial investment	26	**(1,143,110)**	(335,825)
Equity dividends paid		**(262,891)**	(219,076)
Cash (outflow)/inflow before financing		**(13,885)**	1,438,571
Financing	26	**(47,373)**	(42,087)
(Decrease)/increase in cash	26	**(61,258)**	1,396,484

The notes on pages 12 to 31 form part of these financial statements

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1 Accounting policies

Basis of accounting
The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable United Kingdom accounting standards

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the company and all group undertakings These are adjusted, where appropriate, to conform to group accounting policies Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006

Turnover
Turnover represents the amounts receivable for goods sold during the year, less discounts allowed and exclusive of Value Added Tax

Fixed assets
All fixed assets are initially recorded at cost Under the transitional rules of Financial Reporting Standard 15, Tangible Fixed Assets, the values of all freehold land and buildings have been frozen at the valuation obtained in 1987 together with subsequent additions at cost

Lasts, knives and patterns are accounted for on a replacement basis The assets are carried in the books at a fixed value with any additions during the year being written off to the profit and loss account in the year of expenditure

Depreciation
Depreciation is calculated so as to write off the cost or revaluation of an asset over the useful economic life of that asset as follows

Freehold property	- 2% of cost or valuation
Plant, machinery and equipment	- 12 ½% of cost
Shop fittings	- over period of lease
Motor vehicles	- 25% of cost or period of lease
Office equipment	- 20% of cost

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve

Stocks
Raw material and finished good stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Work in progress
Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity Provision is made for any foreseeable losses where appropriate No element of profit is included in the valuation of work in progress

Operating lease agreements
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

1 Accounting policies *(continued)*

Pension costs and other post-retirement benefits
Contributions to money purchase schemes are charged to the profit and loss account as they become payable The company has no further obligation in respect of defined contributions The assets of the scheme are held separately from those of the company

In respect of the defined benefit element of the pension scheme, contributions are paid to the scheme in accordance with the recommendations of the scheme actuary The assets of the scheme are held separately from those of the company

Current service cost is charged to operating profit The net return from the expected return on pension scheme assets less interest on pension scheme liabilities is included in interest payable

The actuarial gain arising from actual return less expected return on pension scheme assets, experience gains and losses arising on the scheme liabilities, and changes in assumptions underlying the present value of the scheme liabilities are recognised in the statement of total recognised gains and losses

Pension scheme technical provisions are measured on an actuarial basis using the projected unit method Pension scheme assets are valued at market value at the balance sheet date The pension scheme surplus or deficit is recognised in full on the balance sheet

The deferred tax relating to a defined benefit asset or liability is offset against the defined benefit asset or liability and not included with other deferred tax assets or liabilities

Deferred taxation
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange obtained on forward currency contracts ruling at the balance sheet date Equity investments in overseas subsidiaries are recorded at the initial cost Other assets and liabilities in foreign currencies are translated into sterling at the rates of exchange on forward currency contracts or at the rate of exchange ruling at the balance sheet date where not covered by a forward exchange contract

For the consolidation, the assets and liabilities of the overseas subsidiaries have been translated into sterling at the rates of exchange ruling at the balance sheet date The transactions of the overseas subsidiaries during the year have been translated into sterling using the average exchange rates ruling throughout the year

Transactions denominated in foreign currencies are accounted for on the basis of the rates obtained on forward currency contracts

Gains and losses on exchange on transactions in foreign currencies are dealt with in the profit and loss account

Financial instruments
Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

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2 Turnover

The turnover and profit before tax are attributable to the one principal activity of the group

An analysis of turnover is given below

	2012 £	2011 £
United Kingdom	**9,034,676**	8,272,414
Rest of Europe	**8,075,337**	6,956,184
North America	**2,333,344**	2,279,898
Rest of World	**2,684,086**	2,191,496
	22,127,443	19,699,992

3 Other operating income

	2012 £	2011 £
Rent receivable	**49,239**	47,093

4 Particulars of employees

The average number of staff, including executive directors, employed by the group during the financial year can be analysed as follows

	2012 No	2011 No
Number of production staff	**224**	201
Number of selling and distribution staff	**52**	36
Number of administrative staff	**17**	17
Number of supervision and maintenance staff	**20**	20
	313	274

The aggregate payroll costs of the above were

	2012 £	2011 £
Wages and salaries	**7,385,999**	6,465,171
Social security costs	**665,588**	559,029
Other pension costs	**522,673**	427,716
	8,574,260	7,451,916

Other pension costs are amounts charged to operating profit and do not include amounts charged to finance costs (see note 8) and amounts recognised in the statement of recognised gains and losses

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5 Operating profit

Operating profit is stated after charging

	2012 £	2011 £
Depreciation of owned fixed assets	**268,470**	227,576
Auditor's remuneration		
- as auditor	**21,200**	21,100
- for other services	**4,000**	6,400
Operating lease rentals - land and buildings	**438,224**	209,050

6 Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2012 £	2011 £
Remuneration receivable	**383,463**	369,707
Value of company pension contributions to money purchase schemes	**39,636**	38,100
	423,099	407,807

Remuneration of highest paid director

	2012 £	2011 £
Total remuneration (excluding pension contributions)	**197,906**	187,006
Value of company pension contributions to money purchase schemes	**27,953**	27,008
	225,859	214,014

The number of directors who accrued benefits under company pension schemes was as follows

	2012 No	2011 No
Money purchase schemes	**2**	2

The highest paid director also has accrued pension rights under the defined benefit element of the company's pension scheme in respect of service prior to 5 April 1992

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7 Interest receivable and similar income

	2012 £	2011 £
Bank interest receivable	**33,162**	26,505
Other similar income receivable	**1,205**	356
	34,367	26,861

8 Interest payable and similar charges

	2012 £	2011 £
Interest payable on bank borrowing	**4,879**	5,372
Finance charges on shares classed as financial liabilities	**1,099**	1,099
Net finance costs in respect of defined benefit pension schemes	**17,000**	33,000
	22,978	39,471

9 Taxation on ordinary activities

(a) Analysis of charge in the year

	2012 £	2011 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 26 17% (2011 - 28%)	**651,022**	727,742
Under provision in prior year	**19,855**	-
Total current tax	**670,877**	727,742
Deferred tax		
Origination and reversal of timing differences (note 18)		
Capital allowances	**9,212**	2,607
Other	**105,032**	27,139
Total deferred tax (note 18)	**114,244**	29,746
Tax on profit on ordinary activities	**785,121**	757,488

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9 **Taxation on ordinary activities *(continued)***

(b) Tax included in group statement of total recognised gains and losses

During the year the company has made payments to fund the pension scheme deficit This has resulted in a reduction in the corporation tax charge in the profit and loss account of £214,480 (2011 £19,600) The reduction in the pension scheme deferred tax asset associated with this movement has been included in the statement of total recognised gains and losses

The increase in the deferred tax asset of £176,680 (2011 reduction of £1,400) resulting from the actuarial loss in respect of the defined benefit scheme has been included in the statement of total recognised gains and losses

(c) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is at a lower rate than the standard rate of corporation tax in the UK of 26 17% (2011 - 28%)

	2012 £	2011 £
Profit on ordinary activities before taxation	**3,302,560**	2,800,558
Profit on ordinary activities multiplied by rate of tax	**864,280**	784,156
Expenditure not deductible for tax purposes	**8,042**	1,793
Timing differences	**(23,815)**	(1,706)
Adjustment for overseas subsidiaries	**(86,306)**	(36,901)
FRS 17 timing differences	**(111,179)**	(19,600)
Under/(over) provision in previous year	**19,855**	-
Total current tax (note 9(a))	**670,877**	727,742

10 **Profit attributable to members of the parent company**

The profit dealt with in the financial statements of the parent company was £2,187,715 (2011 - £1,938,197)

11 **Dividends**

Equity dividends

	2012 £	2011 £
Paid		
Equity dividends on ordinary £1 shares	**131,445**	54,769
Proposed		
Equity dividends on ordinary £1 shares	**131,446**	131,446

Subsequent to the Balance Sheet date the directors have proposed a final dividend of 130 pence per ordinary £1 share (2011 108p) In accordance with the company's accounting policy only dividends declared before 29 February 2012 are included in these financial statements

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12 Tangible fixed assets

Group	Freehold Property £	Plant & Machinery £	Shop Fittings £	Motor Vehicles £	Lasts, Knives and Patterns £	Total £
Cost or valuation						
At 1 Mar 2011	435,207	617,962	1,508,507	149,805	330,531	3,042,012
Additions	70,041	123,979	949,090	–	–	1,143,110
Disposals	–	(73,984)	–	–	–	(73,984)
At 29 Feb 2012	505,248	667,957	2,457,597	149,805	330,531	4,111,138
Depreciation						
At 1 Mar 2011	67,606	391,218	726,885	122,758	131,183	1,439,650
Charge for the year	8,704	90,085	154,910	14,771	–	268,470
On disposals	–	(73,984)	–	–	–	(73,984)
At 29 Feb 2012	76,310	407,319	881,795	137,529	131,183	1,634,136
Net book value						
At 29 Feb 2012	428,938	260,638	1,575,802	12,276	199,348	2,477,002
At 28 Feb 2011	367,601	226,744	781,622	27,047	199,348	1,602,362

Under the transitional rules of Financial Reporting Standard 15 Tangible Fixed Assets, the value of the company's freehold land and buildings have been frozen at modified historic cost

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows

	2012 £	2011 £
Net book value at end of year	233,545	239,692
Historical cost	37,048	37,048
Depreciation		
At 1 Mar 2011	8,151	7,410
Charge for year	741	741
At 29 Feb 2012	8,892	8,151
Net historical cost value		
At 29 Feb 2012	28,156	28,897
At 1 Mar 2011	28,897	29,638

12 Tangible fixed assets *(continued)*

Company	Freehold Property £	Plant & Machinery £	Shop Fittings £	Motor Vehicles £	Lasts, Knives and Patterns £	Total £
Cost or valuation						
At 1 Mar 2011	**435,207**	**617,962**	**491,379**	**149,805**	**330,531**	**2,024,884**
Additions	**70,041**	**123,979**	**923,921**	**–**	**–**	**1,117,941**
Disposals	**–**	**(73,984)**	**–**	**–**	**–**	**(73,984)**
At 29 Feb 2012	**505,248**	**667,957**	**1,415,300**	**149,805**	**330,531**	**3,068,841**
Depreciation						
At 1 Mar 2011	**67,606**	**391,218**	**355,310**	**122,758**	**131,183**	**1,068,075**
Charge for the year	**8,704**	**90,085**	**79,786**	**14,771**	**–**	**193,346**
On disposals	**–**	**(73,984)**	**–**	**–**	**–**	**(73,984)**
At 29 Feb 2012	**76,310**	**407,319**	**435,096**	**137,529**	**131,183**	**1,187,437**
Net book value						
At 29 Feb 2012	**428,938**	**260,638**	**980,204**	**12,276**	**199,348**	**1,881,404**
At 28 Feb 2011	367,601	226,744	136,069	27,047	199,348	956,809

Cost or valuation of freehold land and buildings is as follows

	£
At cost	7,298
At valuation - 1987	300,000

The basis of valuation adopted was that of open market value for existing use

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows

	2012 £	2011 £
Net book value at end of year	**233,545**	239,692
Historical cost	**37,048**	37,048
Depreciation		
At 1 Mar 2011	**8,151**	7,410
Charge for year	**741**	741
At 29 Feb 2012	**8,892**	8,151
Net historical cost value		
At 29 Feb 2012	**28,156**	28,897
At 1 Mar 2011	**28,897**	29,638

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13 Investments

Company	Group companies £
Cost	
At 1 March 2011 and 29 February 2012	**129,724**
Loans	
At 1 March 2011	**1,008,903**
Repaid in year	**(321,997)**
At 29 February 2012	**686,906**
Net book value	
At 29 February 2012	**816,630**
At 28 February 2011	1,138,627

The company has a 66% interest in the issued equity of C and J Paris SARL, a company registered in France and engaged in the retail sale of footwear and associated products in France

The company has a 100% interest in the issued equity of Crockett and Jones USA, Inc a company registered In the state of Delaware,USA and engaged in the retail sale of footwear and associated products in USA

The company has a 66% interest in the issued equity of Crockett & Jones Belgium, a company incorporated in Belgium This company is engaged in the retail of footwear and associated products in Belgium

The company also owns 100% of the equity of Crockett and Jones (Retail) Limited, a company incorporated in England This company was dormant throughout the year

14 Stocks

	Group		Company	
	2012	2011	**2012**	2011
	£	£	**£**	£
Raw materials	**1,216,423**	1,205,740	**1,216,423**	1,205,740
Work in progress	**696,603**	578,153	**696,603**	578,153
Finished goods	**2,350,412**	1,949,614	**1,596,931**	1,350,802
	4,263,438	3,733,507	**3,509,957**	3,134,695

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15 Debtors

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	**2,409,103**	2,067,537	**2,372,039**	2,017,052
Amounts owed by group undertakings	**–**	–	**148,448**	324,512
Other debtors	**115,628**	139,004	**16,294**	34,424
Prepayments and accrued income	**166,487**	154,005	**131,970**	116,350
	2,691,218	2,360,546	**2,668,751**	2,492,338

16 Creditors amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade creditors	**655,659**	639,172	**311,096**	377,916
Amounts owed to group undertakings	**–**	–	**64,684**	64,684
Dividends payable	**131,446**	131,446	**131,446**	131,446
Corporation tax	**171,021**	331,887	**171,021**	331,887
PAYE and social security	**291,799**	252,965	**229,998**	188,849
VAT	**63,417**	7,591	**63,417**	7,591
Other creditors	**600,619**	514,760	**469,324**	395,505
Accruals and deferred income	**317,314**	234,887	**317,314**	234,887
	2,231,275	2,112,708	**1,758,300**	1,732,765

17 Creditors amounts falling due after more than one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
4 2% cumulative preference shares	**26,162**	26,162	**26,162**	26,162
Other creditors	**19,849**	67,222	**–**	–
	46,011	93,384	**26,162**	26,162

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18 Deferred taxation

The movement in the deferred taxation provision during the year was

	Group		Company	
	2012	2011	**2012**	2011
	£	£	**£**	£
Provision brought forward	**90,182**	60,436	**90,182**	60,436
Increase in provision	**114,244**	29,746	**114,244**	29,746
Provision carried forward	**204,426**	90,182	**204,426**	90,182

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of

Group	**2012**		2011	
	Provided	**Unprovided**	Provided	Unprovided
	£	**£**	£	£
Excess of taxation allowances over depreciation on fixed assets	**88,397**	-	79,185	-
Other timing differences	**116,029**	-	10,997	-
	204,426	-	90,182	-

The company's provision for deferred taxation consists of the tax effect of timing differences in respect of

Company	**2012**		2011	
	Provided	**Unprovided**	Provided	Unprovided
	£	**£**	£	£
Excess of taxation allowances over depreciation on fixed assets	**88,397**	-	79,185	-
Other timing differences	**116,029**	-	10,997	-
	204,426	-	90,182	-

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19 Pensions and other post retirement benefits

From 6 April 2006 the company has operated a group personal pension scheme Prior to this date the company's employees were entitled to membership of the company's pension scheme

Employees who were members of the company's pension scheme prior to 6 April 1992 are entitled to benefits based on final pensionable pay based on their length of membership of the pension scheme prior to 6 April 1992 The defined benefits ceased to be linked to current pensionable pay with effect from 1 January 2003

For service between 6 April 1992 and 5 April 1997 employees who were members of the scheme are entitled to money purchase benefits with guaranteed minimum pension underpin For service after 6 April 1997 employees are entitled to money purchase benefits only

The pension charge for the year was £522,673 (2011 £427,716) relating to money purchase benefits At the year end employer and employee contributions totalling £46,446 (2011 £38,407) are included in creditors

The scheme actuary, independent of the participating employer, has adjusted appropriately the data used for the purposes of the full January 2010 actuarial valuation, for the purposes of calculating the FRS 17 disclosures in the year ended 29 February 2012

During August 2011, the scheme's assets were transferred to MetLife to insure all deferred pensioner and pensioner benefits The employer paid additional contributions of £789,550 to "top-up" the amounts transferred to the quoted buy-in cost, of which £729,268 was deemed to be in respect of the pre 6 April 1992 defined benefits The exercise included all scheme benefits, including securing guaranteed minimum pensions with money purchase underpins that accrued between 6 April 1992 and 6 April 1997

Scheme liabilities are valued on the basis of corporate bond yields at the date of calculation

The long-term expected return on bonds and cash is determined by reference to UK long dated government bonds, net of a 1% fund management charge The long-term expected rate of return on equities is based on the rate of return on bonds with an allowance for out-performance, net of a 1% fund management charge

The mortality assumptions adopted at 29 February 2012 imply the following life expectancies

Male retiring at age 65 in 2012	23 3 years
Female retiring at age 65 in 2012	25 8 years
Male retiring at age 65 in 2032	25 3 years
Female retiring at age 65 in 2032	27 7 years

To eliminate the shortfall the company had agreed a recovery plan, dated 27 March 2008, with the scheme's trustees after obtaining the advice of the scheme actuary The group has paid £8,600 per month in respect of pension benefits accrued before 6 April 1992 in accordance with the Schedule of Contributions up to July 2011 The element of the additional employer payment to MetLife relating to the pre 6 April 1992 defined benefits was £729,268

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19 **Pensions and other post retirement benefits *(continued)***

	2012 £	2011 £
Amounts included in other finance cost		
Expected return on scheme assets	**(87,000)**	(71,000)
Interest on scheme liabilities	**104,000**	104,000
Other finance cost	**17,000**	33,000
Total charge to the profit and loss account	**17,000**	33,000
Actual return on scheme assets	**(235,000)**	132,000

Other finance cost is included in the profit and loss account within interest payable and similar charges Actuarial losses of £631,000 (2011 Actuarial gains of £5,000) have been recognised in the statement of total recognised gains and losses At 29 February 2012 the cumulative amount of actuarial losses recognised in the statement of total recognised gains and losses is £1,005,000

The amounts recognised in the balance sheet are as follows

	2012 £	2011 £
Present value of funded obligations	**(2,275,000)**	(1,930,000)
Fair value of scheme assets	**2,275,000**	1,795,000
	-	(135,000)
Related deferred tax asset	**-**	37,800
Net pension liability	**-**	(97,200)

Changes in the present value of the defined benefit obligation scheme are as follows

	2012 £	2011 £
Opening defined benefit obligation	**1,930,000**	1,884,000
Interest on scheme liabilities	**104,000**	104,000
Actuarial loss	**309,000**	56,000
Benefits paid	**(68,000)**	(114,000)
Closing defined benefit obligation	**2,275,000**	1,930,000

Changes in the fair value of scheme assets are as follows

	2012 £	2011 £
Opening fair value of scheme assets	**1,795,000**	1,674,000
Expected return on scheme assets	**87,000**	71,000
Contributions by employer	**783,000**	103,000
Actuarial (loss) / gain	**(322,000)**	61,000
Benefits paid	**(68,000)**	(114,000)
Closing fair value of scheme assets	**2,275,000**	1,795,000

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19 **Pensions and other post retirement benefits *(continued)***

The fair value of the major categories of scheme assets and the expected rate of return at the balance sheet date are as follows

	Expected return		Fair value of assets	
	2012	2011	**2012**	2011
	%	%	**£**	£
Equity	**5 20**	5 50	**-**	768,000
Bonds	**3 20**	3 50	**-**	899,000
Other assets*	**3 20**	3 50	**2,275,000**	128,000
Fair value of scheme assets			**2,275,000**	1,795,000

* As at 29 February 2012, all assets are in the form of insurance policies with MetLife

The principal actuarial assumptions as at the balance sheet date were

	2012	2011
	%	%
Discount rate	**4 50**	5 50
Rate of increase in deferred pensions	**2 60**	3 50
Inflation	**2 60**	3 50

Amounts for the current and previous four periods are as follows

	2012	**2011**	**2010**	**2009**	**2008**
	£	**£**	**£**	**£**	**£**
Present value of scheme liabilities	**(2,275,000)**	(1,930,000)	(1,884,000)	(1,474,000)	(1,397,000)
Fair value of scheme assets	**2,275,000**	1,795,000	1,674,000	1,344,000	1,573,000
(Deficit)/surplus in the scheme	**-**	(135,000)	(210,000)	(130,000)	176,000
Experience adjustments on scheme liabilities (£)	**(23,000)**	55,000	(56,000)	(135,000)	36,000
Experience adjustments on scheme assets (£)	**(322,000)**	61,000	235,000	(345,000)	(39,000)

The best estimate of contributions to be paid by the Group to the scheme for the period beginning after 29 February 2012 is £nil However, the amounts paid to MetLife in respect of the buy-in are provisional and further employer contributions may be required

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20 Commitments under operating leases

At 2012 the group had annual commitments under non-cancellable operating leases as set out below

Group	Land and buildings	
	2012	2011
	£	£
Operating leases which expire		
Within 1 year	**-**	67,885
Within 2 to 5 years	**96,016**	92,675
After more than 5 years	**339,300**	-
	435,316	160,560

At 2012 the company had annual commitments under non-cancellable operating leases as set out below

Company	Land and buildings	
	2012	2011
	£	£
Operating leases which expire		
Within 1 year	**-**	67,885
Within 2 to 5 years	**96,016**	92,675
After more than 5 years	**339,300**	-
	435,316	160,560

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21 Forward contracts

At 29 February 2012 the company had entered into forward exchange contracts for the sale of US$1,100,000 during the period to August 2012 at an average rate of $1 5572 At 29 February 2012 the company had net trade debt and bank balances totalling $805,681

At 29 February 2012 the company had entered into forward exchange contracts for the sale of €1,300,000 during the period to November 2012 at an average rate of €1 1383 At 29 February 2012 the company had net trade debt and bank balances totalling €2,049,794

22 Related party transactions

The group and company were under no overall control throughout the current and previous year

During the year the company made sales totalling £1,034,124 (2011 £611,536) to C and J Paris Sarl and £83,170 (2011 £73,400) to Crockett & Jones Belgium Both of the companies are a subsidiary undertaking with Crockett and Jones Limited holding 66% of the share capital During the year the company made a contribution of £47,826 (2011 £51,739) towards advertising costs incurred by C and J Paris Sarl

At 29 February 2012, C and J Paris Sarl owed an amount of £56,300 (2011 £264,911) to the company on normal trade accounts and a balance of £83,960 (2011 £130,046) was due on a loan account Interest totalling £1,741 (2011 £2,237) was charged on the loan account during the year There is no fixed date for repayment of the loan

At 29 February 2012, Crockett & Jones Belgium, owed the company £88,185 (2011 £54,581) on normal trade accounts and £149,371 (2011 £149,371) was due on an interest free loan account There is no fixed date for repayment of the loan

At 29 February 2012 the company owed Crockett and Jones (Retail) Limited £64,684 (2011 £64,684) on an interest free loan account There is no fixed date for repayment of the loan

No other transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8

23 Share capital

Authorised share capital

	2012	2011
	£	£
209,992 Ordinary shares of £1 each	**209,992**	209,992
18,537 A Ordinary shares of £1 each	**18,537**	18,537
40,008 4 2% cumulative preference shares of £1 each	**40,008**	40,008
131,463 9 75% A cumulative redeemable preference shares of £1 each	**131,463**	131,463
	400,000	400,000

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23 Share capital *(continued)*

Allotted, called up and fully paid

	2012 No	£	2011 No	£
121,709 Ordinary shares of £1 each	**121,709**	**121,709**	121,709	121,709
26,162 4 2% cumulative preference shares of £1 each	**26,162**	**26,162**	26,162	26,162
	147,871	**147,871**	147,871	147,871

	2012 £	2011 £
Amounts presented in equity		
121,709 Ordinary shares of £1 each	**121,709**	121,709
Amounts presented in liabilities		
26,162 4 2% cumulative preference shares of £1 each	**26,162**	26,162

The ordinary shares of the company rank after the 'A' ordinary shares of £1 each as regards payment of dividends and return of capital Both classes of ordinary share carry full voting rights at general meetings of the company

24 Reserves

Group	**Share premium account** £	**Revaluation reserve** £	**Capital redemption reserve** £	**Profit and loss account** £
Balance brought forward	**484,557**	**210,795**	**221,201**	**8,158,447**
Profit for the year	**–**	**–**	**–**	**2,478,816**
Equity dividends	**–**	**–**	**–**	**(262,891)**
Other movements				
- transfer to/from revaluation reserve	**–**	**(5,405)**	**–**	**5,405**
Defined benefit pension scheme	**–**	**–**	**–**	**(668,800)**
Balance carried forward	**484,557**	**205,390**	**221,201**	**9,710,977**

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24 Reserves *(continued)*

Company	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £
Balance brought forward	484,557	210,795	221,201	8,225,778
Profit for the year	–	–	–	2,187,715
Equity dividends	–	–	–	(262,891)
Other movements - transfer to/from revaluation reserve	–	(5,405)	–	5,405
Defined benefit pension scheme	–	–	–	(668,800)
Balance carried forward	484,557	205,390	221,201	9,487,207

At 29 February 2012 no tax liability will arise on the disposal of revalued assets at the revalued amounts

25 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	2,478,816	2,022,027
Equity dividends	(262,891)	(186,215)
Transfer from revaluation reserve	5,405	5,405
Defined benefit pension scheme	(668,800)	(16,000)
Transfer to profit and loss account	(5,405)	(5,405)
Net addition to shareholders' funds	1,547,125	1,819,812
Opening shareholders' funds	9,196,709	7,376,897
Closing shareholders' funds	10,743,834	9,196,709

26 Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	2012 £	2011 £
Operating profit	3,291,171	2,813,168
Depreciation	268,470	227,576
Increase in stocks	(529,931)	(371,417)
Increase in debtors	(319,877)	(25,327)
Increase in creditors	279,433	234,543
Defined benefit pension scheme contributions paid	(783,000)	(103,000)
Net cash inflow from operating activities	2,206,266	2,775,543

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26 Notes to the cash flow statement *(continued)*

Returns on investments and servicing of finance

	2012 £	2011 £
Interest received	**23,572**	13,701
Interest paid	**(4,879)**	(5,372)
Dividends on shares classed as financial liabilities	**(1,099)**	(1,099)
Net cash inflow from returns on investments and servicing of finance	**17,594**	7,230

Taxation

	2012 £	2011 £
Taxation	**(831,744)**	(789,301)

Capital expenditure

	2012 £	2011 £
Payments to acquire tangible fixed assets	**(1,143,110)**	(335,824)
Receipts from sale of fixed assets	**–**	(1)
Net cash outflow from capital expenditure	**(1,143,110)**	(335,825)

Financing

	2012 £	2011 £
Net outflow from other long-term creditors	**(47,373)**	(42,087)
Net cash outflow from financing	**(47,373)**	(42,087)

Reconciliation of net cash flow to movement in net funds

	2012 £	2011 £
(Decrease)/increase in cash in the period	**(61,258)**	1,396,484
Net cash outflow from other long-term creditors	**47,373**	42,087
	(13,885)	1,438,571
Change in net funds	**(13,885)**	1,438,571
Net funds at 1 March 2011	**3,930,008**	2,491,437
Net funds at 29 February 2012	**3,916,123**	3,930,008

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26 **Notes to the cash flow statement *(continued)***

Analysis of changes in net funds

	At 1 Mar 2011 £	Cash flows £	At 29 Feb 2012 £
Net cash			
Cash in hand and at bank	4,023,392	(61,258)	3,962,134
Debt			
Debt due after 1 year	(93,384)	47,373	(46,011)
Net funds	3,930,008	(13,885)	3,916,123

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