

Company Registration No. 03940440 (England and Wales)

**UTOPIA TABLEWARE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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# UTOPIA TABLEWARE LIMITED

## COMPANY INFORMATION

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|--------------------------|--------------------------------------------------------------------------|
| <b>Directors</b>         | K Oldershaw<br>M Rammell                                                 |
| <b>Secretary</b>         | York Place Company Secretaries Ltd                                       |
| <b>Company number</b>    | 03940440                                                                 |
| <b>Registered office</b> | Elizabeth House<br>13-19 Queen Street<br>Leeds<br>LS1 2TW                |
| <b>Auditor</b>           | BHP LLP<br>57-59 Saltergate<br>Chesterfield<br>Derbyshire<br>S40 1UL     |
| <b>Business address</b>  | Glass Works<br>Park Road<br>Holmewood<br>Chesterfield<br>S42 5UY         |
| <b>Bankers</b>           | Barclays Bank Plc<br>PO Box 299<br>Birmingham<br>B1 3PF                  |
| <b>Solicitors</b>        | BRM Solicitors<br>Gray Court<br>99 Saltergate<br>Chesterfield<br>S40 1LD |

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# UTOPIA TABLEWARE LIMITED

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# UTOPIA TABLEWARE LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 AUGUST 2017

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

#### **Fair review of the business**

A continued focus on innovation and the introduction of many new products resulted in another successful year of sales growth and increased market share in all key sectors.

The company's position as market leader has again been bolstered by the delivery of outstanding service levels, including an increasing number of next day deliveries, the widest range in the hospitality market and the focus on innovation that is being increasingly recognised as a strength of the business. We are recognised for our competitive edge making us the supplier of choice for the products we sell. The result has been another year of solid sales growth to both new and existing customers.

The business has continued to grow demonstrating a resilience and agility in a challenging economic backdrop. During uncertain economic conditions the Utopia business model has proven to be sustainable and enabled growth. Therefore, there is confidence for further investment with a strategic goal to enhance our ability to gain market share. The investment and improvements made in service levels, product innovation and people have underpinned a solid sales performance, as a result we have seen a step change in our reputation and brand awareness in the markets that we serve.

The directors are grateful to all customers and suppliers for their ongoing support and wish to register their gratitude to all employees who have once again contributed to a very solid result.

The directors remain confident in the direction the business is taking and the progress being made in what is still an uncertain economic situation.

#### **Principal risks and uncertainties**

##### **Financial risk management objectives and policies**

The company uses financial instruments, other than derivatives, comprising borrowings, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The main risks arising from the company financial instruments are interest rate risk, liquidity risk and foreign currency risk. The directors review and agree policies for managing each of these risks and they are summarized below. The policies have remained unchanged from previous periods.

##### **Interest rate risk**

The company finances its operations through a mixture of retained profits and bank borrowing. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

##### **Liquidity risk**

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Primarily this is achieved through bank overdraft facilities and invoice discounting.

##### **Currency risk**

The company is exposed to transaction and translation foreign exchange risk. In relation to translation risk cash is held in foreign currency accounts.

# UTOPIA TABLEWARE LIMITED

## STRATEGIC REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2017*

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On behalf of the board



M Rammell

**Director**

3 May 2018

# UTOPIA TABLEWARE LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2017

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The directors present their annual report and financial statements for the year ended 31 August 2017.

#### Principal activities

The principal activity of the company is the design and creation of a full table and barware offer which is marketed to the hospitality industry.

#### Directors

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

K Oldershaw  
M Rammell

#### Results and dividends

The results for the year are set out on page 7.

Particulars of dividends paid are detailed in note 10 to the financial statements.

#### Auditor

In accordance with section 485 of the Companies Act 2006, a resolution proposing that BHP LLP be reappointed as auditor of the company will be put at a General Meeting.

#### Statement of directors' responsibilities

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

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

#### 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.

# UTOPIA TABLEWARE LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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On behalf of the board



M Rammell

Director

3 May 2018

# UTOPIA TABLEWARE LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF UTOPIA TABLEWARE LIMITED

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#### Opinion

We have audited the financial statements of Utopia Tableware Limited (the 'company') for the year ended 31 August 2017 set out on pages 7 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 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.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

#### Other information

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

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

We have nothing to report in this regard.

#### Opinions 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.

# UTOPIA TABLEWARE LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF UTOPIA TABLEWARE LIMITED

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#### 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.

#### Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 - 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### Auditor's responsibilities for the audit of the financial statements

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

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**John Warner (Senior Statutory Auditor)**  
for and on behalf of BHP LLP

3 May 2018

**Chartered Accountants**  
**Statutory Auditor**

57-59 Saltergate  
Chesterfield  
Derbyshire  
S40 1UL

# UTOPIA TABLEWARE LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2017

|                                        | Notes    | 2017<br>£        | 2016<br>£        |
|----------------------------------------|----------|------------------|------------------|
| Turnover                               | 3        | 33,740,952       | 31,736,918       |
| Cost of sales                          |          | (24,313,584)     | (22,830,295)     |
| <b>Gross profit</b>                    |          | <b>9,427,368</b> | <b>8,906,623</b> |
| Distribution costs                     |          | (1,095,293)      | (1,040,495)      |
| Administrative expenses                |          | (5,343,397)      | (5,100,883)      |
| <b>Operating profit</b>                | <b>4</b> | <b>2,988,678</b> | <b>2,765,245</b> |
| Interest receivable and similar income | 7        | 96               | -                |
| Interest payable and similar expenses  | 8        | (89,259)         | (191,983)        |
| <b>Profit before taxation</b>          |          | <b>2,899,515</b> | <b>2,573,262</b> |
| Tax on profit                          | 9        | (492,000)        | (542,362)        |
| <b>Profit for the financial year</b>   |          | <b>2,407,515</b> | <b>2,030,900</b> |

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

# UTOPIA TABLEWARE LIMITED

## BALANCE SHEET

AS AT 31 AUGUST 2017

|                                                                | Notes | 2017<br>£    | £         | 2016<br>£    | £         |
|----------------------------------------------------------------|-------|--------------|-----------|--------------|-----------|
| <b>Fixed assets</b>                                            |       |              |           |              |           |
| Tangible assets                                                | 11    |              | 1,072,011 |              | 1,494,241 |
| <b>Current assets</b>                                          |       |              |           |              |           |
| Stocks                                                         | 12    | 7,131,758    |           | 7,290,078    |           |
| Debtors                                                        | 13    | 12,269,605   |           | 8,809,566    |           |
| Cash at bank and in hand                                       |       | 977,593      |           | 431,591      |           |
|                                                                |       | 20,378,956   |           | 16,531,235   |           |
| <b>Creditors: amounts falling due within one year</b>          | 14    | (14,967,755) |           | (11,785,670) |           |
| <b>Net current assets</b>                                      |       |              | 5,411,201 |              | 4,745,565 |
| <b>Total assets less current liabilities</b>                   |       |              | 6,483,212 |              | 6,239,806 |
| <b>Creditors: amounts falling due after more than one year</b> | 15    |              | (140,371) |              | (265,480) |
| <b>Provisions for liabilities</b>                              | 17    |              | -         |              | (39,000)  |
| <b>Net assets</b>                                              |       |              | 6,342,841 |              | 5,935,326 |
| <b>Capital and reserves</b>                                    |       |              |           |              |           |
| Called up share capital                                        | 20    |              | 158,400   |              | 158,400   |
| Share premium account                                          |       |              | 92,000    |              | 92,000    |
| Capital redemption reserve                                     |       |              | 197,600   |              | 197,600   |
| Profit and loss reserves                                       |       |              | 5,894,841 |              | 5,487,326 |
| <b>Total equity</b>                                            |       |              | 6,342,841 |              | 5,935,326 |

The financial statements were approved by the board of directors and authorised for issue on 3 May 2018 and are signed on its behalf by:



M Rammell  
Director

Company Registration No. 03940440

# UTOPIA TABLEWARE LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2017

|                                                    | Notes | Share capital<br>£ | Share premium account<br>£ | Capital redemption reserve<br>£ | Profit and loss reserves<br>£ | Total<br>£  |
|----------------------------------------------------|-------|--------------------|----------------------------|---------------------------------|-------------------------------|-------------|
| <b>Balance at 1 September 2015</b>                 |       | 158,400            | 92,000                     | 197,600                         | 4,122,598                     | 4,570,598   |
| <b>Year ended 31 August 2016:</b>                  |       |                    |                            |                                 |                               |             |
| Profit and total comprehensive income for the year |       | -                  | -                          | -                               | 2,030,900                     | 2,030,900   |
| Dividends                                          | 10    | -                  | -                          | -                               | (666,172)                     | (666,172)   |
| <b>Balance at 31 August 2016</b>                   |       | 158,400            | 92,000                     | 197,600                         | 5,487,326                     | 5,935,326   |
| <b>Year ended 31 August 2017:</b>                  |       |                    |                            |                                 |                               |             |
| Profit and total comprehensive income for the year |       | -                  | -                          | -                               | 2,407,515                     | 2,407,515   |
| Dividends                                          | 10    | -                  | -                          | -                               | (2,000,000)                   | (2,000,000) |
| <b>Balance at 31 August 2017</b>                   |       | 158,400            | 92,000                     | 197,600                         | 5,894,841                     | 6,342,841   |

# UTOPIA TABLEWARE LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

|                                                               | Notes | 2017<br>£          | £ | 2016<br>£          | £ |
|---------------------------------------------------------------|-------|--------------------|---|--------------------|---|
| <b>Cash flows from operating activities</b>                   |       |                    |   |                    |   |
| Cash generated from operations                                | 23    | 3,132,332          |   | 3,153,870          |   |
| Interest paid                                                 |       | (89,259)           |   | (191,983)          |   |
| Income taxes paid                                             |       | (597,672)          |   | (681,410)          |   |
| <b>Net cash inflow from operating activities</b>              |       | <b>2,445,401</b>   |   | <b>2,280,477</b>   |   |
| <b>Investing activities</b>                                   |       |                    |   |                    |   |
| Purchase of tangible fixed assets                             |       | (102,253)          |   | (551,697)          |   |
| Proceeds on disposal of tangible fixed assets                 |       | -                  |   | 29,750             |   |
| Proceeds from other investments and loans                     |       | -                  |   | 297,457            |   |
| Interest received                                             |       | 96                 |   | -                  |   |
| <b>Net cash used in investing activities</b>                  |       | <b>(102,157)</b>   |   | <b>(224,490)</b>   |   |
| <b>Financing activities</b>                                   |       |                    |   |                    |   |
| Repayment of bank loans                                       |       | (133,749)          |   | (153,583)          |   |
| Dividends paid                                                |       | (2,000,000)        |   | (666,172)          |   |
| <b>Net cash used in financing activities</b>                  |       | <b>(2,133,749)</b> |   | <b>(819,755)</b>   |   |
| <b>Net increase in cash and cash equivalents</b>              |       | <b>209,495</b>     |   | <b>1,236,232</b>   |   |
| Cash and cash equivalents at beginning of year                |       | (4,378,818)        |   | (5,615,050)        |   |
| <b>Cash and cash equivalents at end of year</b>               |       | <b>(4,169,323)</b> |   | <b>(4,378,818)</b> |   |
| <b>Relating to:</b>                                           |       |                    |   |                    |   |
| Cash at bank and in hand                                      |       | 977,593            |   | 431,591            |   |
| Bank overdrafts included in creditors payable within one year |       | (5,146,916)        |   | (4,810,409)        |   |

# UTOPIA TABLEWARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### 1 Accounting policies

##### Company information

Utopia Tableware Limited is a private company limited by shares incorporated in England and Wales. The registered office is Elizabeth House, 13-19 Queen Street, Leeds, LS1 2TW.

##### 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. The principal accounting policies adopted are set out below.

##### 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 is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### 1.4 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.

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:

|                                |                         |
|--------------------------------|-------------------------|
| Land and buildings Leasehold   | 2% straight line        |
| Plant and machinery            | 10% - 40% straight line |
| Fixtures, fittings & equipment | 10% - 40% straight line |
| Motor vehicles                 | 33% - 50% straight line |

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.

##### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

# UTOPIA TABLEWARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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.

#### 1.6 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.

#### 1.7 Cash and cash equivalents

Cash at bank and in hand 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.

#### 1.8 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.

# UTOPIA TABLEWARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### 1 Accounting policies

(Continued)

##### **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.

##### **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.

# UTOPIA TABLEWARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### 1 Accounting policies

(Continued)

##### ***Derecognition of financial liabilities***

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

#### 1.9 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.

#### 1.10 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.

##### ***Deferred tax***

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### 1.11 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.

#### 1.12 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.

#### 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.

# UTOPIA TABLEWARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 3 Turnover and other revenue

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

|                                                 | 2017<br>£         | 2016<br>£         |
|-------------------------------------------------|-------------------|-------------------|
| <b>Turnover analysed by class of business</b>   |                   |                   |
| Tableware and barware                           | 33,740,952        | 31,736,918        |
|                                                 | <u>33,740,952</u> | <u>31,736,918</u> |
|                                                 |                   |                   |
|                                                 | 2017<br>£         | 2016<br>£         |
| <b>Turnover analysed by geographical market</b> |                   |                   |
| United Kingdom                                  | 29,227,425        | 27,837,189        |
| Europe                                          | 4,046,250         | 3,386,752         |
| Rest of the world                               | 467,277           | 512,977           |
|                                                 | <u>33,740,952</u> | <u>31,736,918</u> |

### 4 Operating profit

|                                                                                           | 2017<br>£      | 2016<br>£      |
|-------------------------------------------------------------------------------------------|----------------|----------------|
| Operating profit for the year is stated after charging/(crediting):                       |                |                |
| Fees payable to the company's auditor for the audit of the company's financial statements | 13,500         | 13,500         |
| Depreciation of owned tangible fixed assets                                               | 524,483        | 485,025        |
| Profit on disposal of tangible fixed assets                                               | -              | (6,922)        |
| Operating lease charges                                                                   | 144,102        | 168,029        |
|                                                                                           | <u>144,102</u> | <u>168,029</u> |

### 5 Employees

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

|                                        | 2017<br>Number | 2016<br>Number |
|----------------------------------------|----------------|----------------|
| Production, warehouse and distribution | 53             | 52             |
| Sales                                  | 14             | 14             |
| Administration                         | 14             | 14             |
| Management                             | 10             | 10             |
| Agency                                 | 16             | 23             |
|                                        | <u>107</u>     | <u>113</u>     |

# UTOPIA TABLEWARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 5 Employees (Continued)

Their aggregate remuneration comprised:

|                       | 2017<br>£        | 2016<br>£        |
|-----------------------|------------------|------------------|
| Wages and salaries    | 3,324,395        | 3,114,685        |
| Social security costs | 323,631          | 269,004          |
| Pension costs         | 47,726           | 106,255          |
|                       | <u>3,695,752</u> | <u>3,489,944</u> |

### 6 Directors' remuneration

|                                      | 2017<br>£      | 2016<br>£      |
|--------------------------------------|----------------|----------------|
| Remuneration for qualifying services | <u>211,014</u> | <u>210,438</u> |

Remuneration disclosed above include the following amounts paid to the highest paid director:

|                                      | 2017<br>£      | 2016<br>£      |
|--------------------------------------|----------------|----------------|
| Remuneration for qualifying services | <u>211,014</u> | <u>210,438</u> |

### 7 Interest receivable and similar income

|                       | 2017<br>£ | 2016<br>£ |
|-----------------------|-----------|-----------|
| Interest income       |           |           |
| Other interest income | <u>96</u> | <u>-</u>  |

### 8 Interest payable and similar expenses

|                                                                      | 2017<br>£     | 2016<br>£      |
|----------------------------------------------------------------------|---------------|----------------|
| <b>Interest on financial liabilities measured at amortised cost:</b> |               |                |
| Interest on bank overdrafts and loans                                | 72,098        | 83,338         |
| Other interest on financial liabilities                              | <u>4,953</u>  | <u>19,613</u>  |
|                                                                      | 77,051        | 102,951        |
| <b>Other finance costs:</b>                                          |               |                |
| Other interest                                                       | <u>12,208</u> | <u>89,032</u>  |
|                                                                      | <u>89,259</u> | <u>191,983</u> |

# UTOPIA TABLEWARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 9 Taxation

|                                                      | 2017<br>£ | 2016<br>£ |
|------------------------------------------------------|-----------|-----------|
| <b>Current tax</b>                                   |           |           |
| UK corporation tax on profits for the current period | 641,104   | 624,821   |
| Adjustments in respect of prior periods              | (60,104)  | (54,459)  |
| Total current tax                                    | 581,000   | 570,362   |
| <b>Deferred tax</b>                                  |           |           |
| Origination and reversal of timing differences       | (89,000)  | (28,000)  |
| Total tax charge                                     | 492,000   | 542,362   |

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<br>£ | 2016<br>£ |
|------------------------------------------------------------------------------------------------------|-----------|-----------|
| Profit before taxation                                                                               | 2,899,515 | 2,573,262 |
| Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%) | 579,903   | 514,652   |
| Tax effect of expenses that are not deductible in determining taxable profit                         | 13,781    | 41,917    |
| Change in unrecognised deferred tax assets                                                           | (16,886)  | (1,601)   |
| Adjustments in respect of prior years                                                                | (60,104)  | (54,459)  |
| Effect of change in corporation tax rate                                                             | (13,031)  | -         |
| Group relief                                                                                         | (53,516)  | -         |
| Permanent capital allowances in excess of depreciation                                               | 41,853    | 41,853    |
| Taxation charge for the year                                                                         | 492,000   | 542,362   |

### 10 Dividends

|              | 2017<br>£ | 2016<br>£ |
|--------------|-----------|-----------|
| Interim paid | 2,000,000 | 666,172   |

# UTOPIA TABLEWARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 11 Tangible fixed assets

|                                    | Land and<br>buildings<br>Leasehold | Plant and<br>machinery | Fixtures,<br>fittings &<br>equipment | Motor<br>vehicles | Total     |
|------------------------------------|------------------------------------|------------------------|--------------------------------------|-------------------|-----------|
|                                    | £                                  | £                      | £                                    | £                 | £         |
| <b>Cost</b>                        |                                    |                        |                                      |                   |           |
| At 1 September 2016                | 1,496,339                          | 1,916,702              | 647,706                              | 164,273           | 4,225,020 |
| Additions                          | -                                  | 22,513                 | 79,740                               | -                 | 102,253   |
| At 31 August 2017                  | 1,496,339                          | 1,939,215              | 727,446                              | 164,273           | 4,327,273 |
| <b>Depreciation and impairment</b> |                                    |                        |                                      |                   |           |
| At 1 September 2016                | 857,312                            | 1,414,915              | 431,532                              | 27,020            | 2,730,779 |
| Depreciation charged in the year   | 198,862                            | 101,869                | 174,498                              | 49,254            | 524,483   |
| At 31 August 2017                  | 1,056,174                          | 1,516,784              | 606,030                              | 76,274            | 3,255,262 |
| <b>Carrying amount</b>             |                                    |                        |                                      |                   |           |
| At 31 August 2017                  | 440,165                            | 422,431                | 121,416                              | 87,999            | 1,072,011 |
| At 31 August 2016                  | 639,027                            | 501,787                | 216,174                              | 137,253           | 1,494,241 |

### 12 Stocks

|                                     | 2017<br>£ | 2016<br>£ |
|-------------------------------------|-----------|-----------|
| Raw materials and consumables       | 46,295    | 46,580    |
| Finished goods and goods for resale | 7,085,463 | 7,243,498 |
|                                     | 7,131,758 | 7,290,078 |

### 13 Debtors

|                                             | 2017<br>£  | 2016<br>£ |
|---------------------------------------------|------------|-----------|
| <b>Amounts falling due within one year:</b> |            |           |
| Trade debtors                               | 7,919,599  | 7,368,537 |
| Amounts owed by group undertakings          | 3,515,111  | 786,168   |
| Other debtors                               | 38,500     | 68,996    |
| Prepayments and accrued income              | 746,395    | 585,865   |
|                                             | 12,219,605 | 8,809,566 |
| Deferred tax asset (note 18)                | 50,000     | -         |
|                                             | 12,269,605 | 8,809,566 |

# UTOPIA TABLEWARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 14 Creditors: amounts falling due within one year

|                                    | Notes | 2017<br>£         | 2016<br>£         |
|------------------------------------|-------|-------------------|-------------------|
| Bank loans and overdrafts          | 16    | 5,276,092         | 4,948,225         |
| Trade creditors                    |       | 2,557,316         | 1,357,882         |
| Corporation tax                    |       | 253,103           | 269,775           |
| Other taxation and social security |       | 241,247           | 263,284           |
| Other creditors                    |       | 6,213,700         | 4,557,046         |
| Accruals and deferred income       |       | 426,297           | 389,458           |
|                                    |       | <u>14,967,755</u> | <u>11,785,670</u> |

### 15 Creditors: amounts falling due after more than one year

|                           | Notes | 2017<br>£      | 2016<br>£      |
|---------------------------|-------|----------------|----------------|
| Bank loans and overdrafts | 16    | <u>140,371</u> | <u>265,480</u> |

### 16 Loans and overdrafts

|                         | 2017<br>£        | 2016<br>£        |
|-------------------------|------------------|------------------|
| Bank loans              | 269,547          | 403,296          |
| Bank overdrafts         | 5,146,916        | 4,810,409        |
|                         | <u>5,416,463</u> | <u>5,213,705</u> |
| Payable within one year | 5,276,092        | 4,948,225        |
| Payable after one year  | <u>140,371</u>   | <u>265,480</u>   |

The long-term loans are secured by a fixed and floating charge over the assets of the company.

### 17 Provisions for liabilities

|                          | Notes | 2017<br>£ | 2016<br>£     |
|--------------------------|-------|-----------|---------------|
| Deferred tax liabilities | 18    | <u>-</u>  | <u>39,000</u> |

# UTOPIA TABLEWARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

#### 18 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<br>2017<br>£ | Liabilities<br>2016<br>£ | Assets<br>2017<br>£ | Assets<br>2016<br>£ |
|-------------------------------------|--------------------------|--------------------------|---------------------|---------------------|
| <b>Balances:</b>                    |                          |                          |                     |                     |
| Accelerated capital allowances      | -                        | 39,000                   | 50,000              | -                   |
|                                     |                          |                          |                     |                     |
| <b>Movements in the year:</b>       |                          |                          |                     | 2017<br>£           |
| Liability at 1 September 2016       |                          |                          |                     | 39,000              |
| Credit to profit or loss            |                          |                          |                     | (89,000)            |
|                                     |                          |                          |                     |                     |
| Liability/(Asset) at 31 August 2017 |                          |                          |                     | (50,000)            |

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period.

#### 19 Retirement benefit schemes

|                                                                     | 2017<br>£ | 2016<br>£ |
|---------------------------------------------------------------------|-----------|-----------|
| <b>Defined contribution schemes</b>                                 |           |           |
| Charge to profit or loss in respect of defined contribution schemes | 47,726    | 106,255   |

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

#### 20 Share capital

|                                     | 2017<br>£ | 2016<br>£ |
|-------------------------------------|-----------|-----------|
| <b>Ordinary share capital</b>       |           |           |
| <b>Issued and fully paid</b>        |           |           |
| 118,800 Ordinary shares of £1 each  | 118,800   | 118,800   |
| 39,600 Ordinary B shares of £1 each | 39,600    | 39,600    |
|                                     | 158,400   | 158,400   |

#### 21 Financial commitments, guarantees and contingent liabilities

There were no contingent liabilities at 31 August 2017 or 31 August 2016.

# UTOPIA TABLEWARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 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<br>£      | 2016<br>£      |
|----------------------------|----------------|----------------|
| Within one year            | 91,334         | 157,661        |
| Between two and five years | 227,196        | 290,352        |
| Over five years            | -              | 32,716         |
|                            | <u>318,530</u> | <u>480,729</u> |

### 23 Cash generated from operations

|                                                      | 2017<br>£        | 2016<br>£        |
|------------------------------------------------------|------------------|------------------|
| Profit for the year after tax                        | 2,407,515        | 2,030,900        |
| <b>Adjustments for:</b>                              |                  |                  |
| Taxation charged                                     | 492,000          | 542,362          |
| Finance costs                                        | 89,259           | 191,983          |
| Investment income                                    | (96)             | -                |
| Gain on disposal of tangible fixed assets            | -                | (6,922)          |
| Depreciation and impairment of tangible fixed assets | 524,483          | 485,025          |
| <b>Movements in working capital:</b>                 |                  |                  |
| Decrease/(increase) in stocks                        | 158,320          | (1,513,540)      |
| (Increase)/decrease in debtors                       | (3,410,039)      | 1,243,195        |
| Increase in creditors                                | 2,870,890        | 180,867          |
| <b>Cash generated from operations</b>                | <u>3,132,332</u> | <u>3,153,870</u> |