

Boodle & Dunthorne Limited

Report And Financial Statements

28 February 2013



COMPANY INFORMATION

Directors	N A Wainwright (Chairman) M J Wainwright (Managing Director) F J Wainwright E A Wainwright J A Wainwright J B Amos
Company secretary	M J Wainwright
Registered office	178 New Bond Street London W1S 4RH
Independent auditors	Rees Pollock 35 New Bridge Street London EC4V 6BW
Bankers	Barclays Bank plc 48b - 50 Lord Street Liverpool L2 1TD
Registered number	00472968

DIRECTORS' REPORT
for the year ended 28 February 2013

The directors present their report and the financial statements for the year ended 28 February 2013

Principal activities and business review

The principal activity of the company continues to be that of designer jewellers

The company's balance sheet as detailed on page 5 shows a strong position with shareholders' funds amounting to £36,523,507 (2012 - £31,747,236) During the year the company made sales to overseas clients around the world of £12,696,063 (2012 - £11,659,483) which the directors feel illustrates an increased international interest in the brand The directors consider the company to be well placed to take advantage of opportunities arising in the future

Results and dividends

The profit for the year, after taxation, amounted to £4,895,071 (2012 - £4,338,416)

Particulars of dividends paid are detailed in note 20 to the accounts

Directors

The directors who served during the year were

N A Wainwright (Chairman)
M J Wainwright (Managing Director)
F J Wainwright
E A Wainwright
J A Wainwright
J B Amos

Political and charitable contributions

During the year the company made charitable contributions of £316,664 (2012 - £278,470)

Directors' responsibilities statement

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 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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

DIRECTORS' REPORT
for the year ended 28 February 2013

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.

Provision of information to auditors

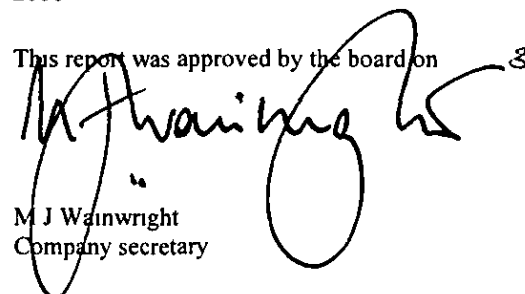
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Rees Pollock, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 31 OCTOBER 2013 and signed on its behalf


M J Wainwright
Company secretary



REESPOLLOCK

Chartered Accountants

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London EC4V 6BW
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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BOODLE & DUNTHORNE LIMITED

We have audited the financial statements of Boodle & Dunthorne Limited for the year ended 28 February 2013, set out on pages 4 to 16. 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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' 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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 28 February 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other 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, 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.

Philip Vipond (Senior statutory auditor)
for and on behalf of
Rees Pollock, Statutory Auditor

6 November 2013

PROFIT AND LOSS ACCOUNT
for the year ended 28 February 2013

	Note	2013 £	2012 £
TURNOVER	2	50,794,379	48,149,276
Cost of sales		(27,104,174)	(25,088,576)
GROSS PROFIT		23,690,205	23,060,700
Administrative expenses		(16,897,687)	(16,906,007)
Other operating income		11,535	47,173
OPERATING PROFIT	3	6,804,053	6,201,866
Interest receivable and similar income		1,218	17,519
Interest payable and similar charges	6	(32,384)	(30,969)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		6,772,887	6,188,416
Tax on profit on ordinary activities	7	(1,877,816)	(1,850,000)
PROFIT FOR THE FINANCIAL YEAR	18	4,895,071	4,338,416

All amounts relate to continuing operations

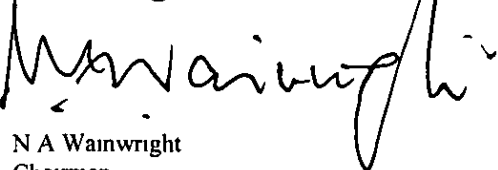
There were no recognised gains and losses for 2013 or 2012 other than those included in the profit and loss account

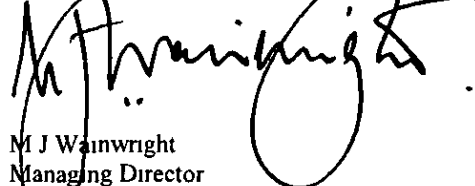
The notes on pages 7 to 16 form part of these financial statements

BALANCE SHEET
as at 28 February 2013

	Note	28 February 2013 £	29 February 2012 £
FIXED ASSETS			
Tangible assets	8	2,580,351	1,789,670
CURRENT ASSETS			
Stocks	9	36,613,767	31,184,216
Debtors	10	4,043,138	3,824,670
Cash in hand		1,515,760	683,523
		<u>42,172,665</u>	<u>35,692,409</u>
CREDITORS amounts falling due within one year	11	<u>(7,922,842)</u>	<u>(5,079,749)</u>
NET CURRENT ASSETS		<u>34,249,823</u>	<u>30,612,660</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>36,830,174</u>	<u>32,402,330</u>
CREDITORS: amounts falling due after more than one year	12	(306,667)	(636,667)
PROVISIONS FOR LIABILITIES			
Deferred tax	13	-	(18,427)
NET ASSETS		<u><u>36,523,507</u></u>	<u><u>31,747,236</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	333,674	333,674
Capital redemption reserve	18	65,659	65,659
Other reserves	18	1,781	1,781
Profit and loss account	18	36,122,393	31,346,122
SHAREHOLDERS' FUNDS	19	<u><u>36,523,507</u></u>	<u><u>31,747,236</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
31 OCTOBER 2013


N A Wainwright
Chairman


M J Wainwright
Managing Director

The notes on pages 7 to 16 form part of these financial statements.

CASH FLOW STATEMENT
for the year ended 28 February 2013

	Note	2013 £	2012 £
Net cash flow from operating activities	21	4,488,698	(3,083,225)
Returns on investments and servicing of finance	22	(31,166)	(13,450)
Taxation	22	(1,650,000)	(1,025,454)
Capital expenditure and financial investment	22	(1,526,495)	(1,073,480)
Equity dividends paid		(118,800)	-
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		1,162,237	(5,195,609)
Financing	22	(330,000)	(200,000)
INCREASE/(DECREASE) IN CASH IN THE YEAR		832,237	(5,395,609)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
for the year ended 28 February 2013

	2013 £	2012 £
Increase/(Decrease) in cash in the year	832,237	(5,395,609)
Cash outflow from decrease in debt and lease financing	330,000	200,000
MOVEMENT IN NET FUNDS IN THE YEAR	1,162,237	(5,195,609)
Net funds at 1 March 2012	46,856	5,242,465
NET FUNDS AT 28 FEBRUARY 2013	1,209,093	46,856

The notes on pages 7 to 16 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2013

1 ACCOUNTING POLICIES

1.1 Basis of accounting

The have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

1.3 Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Leasehold property	-	straight line over the shorter of the lease term and 5 years
Motor vehicles	-	25% reducing balance
Fixtures & fittings	-	10-25% reducing balance
Computer equipment	-	25% reducing balance

1.4 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

Work in progress is valued on the basis of direct costs plus directly 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

1.5 Operating lease agreements

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

1.6 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are not discounted

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2013

1 ACCOUNTING POLICIES (continued)

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Profit and loss account.

1.9 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as 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.

2 TURNOVER

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

A geographical analysis of turnover is as follows:

	2013 £	2012 £
United Kingdom	36,383,932	34,402,037
Ireland	1,714,384	2,087,756
Sales exported overseas	12,696,063	11,659,483
	<u>50,794,379</u>	<u>48,149,276</u>

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2013 £	2012 £
Depreciation of tangible fixed assets		
- owned by the company	735,814	586,476
Auditors' remuneration - audit	45,000	45,000
Auditors' remuneration - non-audit	31,036	30,395
Operating lease rentals		
- other operating leases	3,368,286	3,150,334
Difference on foreign exchange	133,592	34,620
Loss on disposal of fixed assets	-	52,452
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2013

4 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2013	2012
	£	£
Wages and salaries	5,196,858	5,351,684
Social security costs	620,547	637,804
Pension costs	318,771	317,600
	<u>6,136,176</u>	<u>6,307,088</u>

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

	2013	2012
	No.	No.
Number of sales staff	44	45
Number of management, administration and design staff	44	46
	<u>88</u>	<u>91</u>

5 DIRECTORS' REMUNERATION

The directors' aggregate emoluments in respect of qualifying services were as follows

	2013	2012
	£	£
Emoluments	<u>421,939</u>	<u>604,455</u>
Company pension contributions to defined contribution pension schemes	<u>121,508</u>	<u>133,851</u>

During the year retirement benefits were accruing to 4 directors (2012 - 4) in respect of defined contribution pension schemes

The highest paid director received remuneration of £100,000 (2012 - £157,209)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £13,175 (2012 - £NIL)

6 INTEREST PAYABLE

	2013	2012
	£	£
On bank loans and overdrafts	21,192	5,422
On other loans	11,192	25,547
	<u>32,384</u>	<u>30,969</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2013

7 TAXATION

	2013 £	2012 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	2,000,000	1,850,000
Adjustments in respect of prior periods	(22,222)	-
Total current tax	<u>1,977,778</u>	<u>1,850,000</u>
Deferred tax (see note 13)		
Origination and reversal of timing differences	(99,962)	-
Tax on profit on ordinary activities	<u>1,877,816</u>	<u>1,850,000</u>

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 24% (2012 - 26%) The differences are explained below

	2013 £	2012 £
Profit on ordinary activities before tax	<u>6,772,887</u>	<u>6,188,416</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 - 26%)	1,625,493	1,608,988
Effects of:		
Expenses not deductible for tax purposes	191,104	153,029
Timing differences on fixed assets	(26,366)	(5,151)
Other timing differences	197,098	109,651
Adjustments to tax charge in respect of prior periods	(22,222)	(23,179)
Short term timing difference leading to an increase (decrease) in taxation	-	(4,754)
Effect of change in tax rates	12,671	11,416
Current tax charge for the year (see note above)	<u>1,977,778</u>	<u>1,850,000</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2013

8 TANGIBLE FIXED ASSETS

	Leasehold property £	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
Cost					
At 1 March 2012	7,258,903	36,495	2,027,105	918,091	10,240,594
Additions	1,230,870	-	129,750	165,875	1,526,495
Disposals	(704,926)	-	-	-	(704,926)
At 28 February 2013	7,784,847	36,495	2,156,855	1,083,966	11,062,163
Depreciation					
At 1 March 2012	6,229,700	13,310	1,395,655	812,259	8,450,924
Charge for the year	518,996	4,232	159,019	53,567	735,814
On disposals	(704,926)	-	-	-	(704,926)
At 28 February 2013	6,043,770	17,542	1,554,674	865,826	8,481,812
Net book value					
At 28 February 2013	1,741,077	18,953	602,181	218,140	2,580,351
At 29 February 2012	1,029,203	23,185	631,450	105,832	1,789,670

9 STOCKS

	28 February 2013 £	29 February 2012 £
Raw materials	504,833	657,764
Work in progress	3,816,420	1,848,428
Finished goods and goods for resale	32,292,514	28,678,024
	36,613,767	31,184,216

10 DEBTORS

	28 February 2013 £	29 February 2012 £
Trade debtors	2,000,631	2,446,393
Other debtors	1,202,043	520,690
Prepayments and accrued income	758,929	857,587
Deferred tax asset (see note 13)	81,535	-
	4,043,138	3,824,670

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2013

11 CREDITORS

Amounts falling due within one year

	28 February 2013	29 February 2012
	£	£
Payments received on account	2,425,888	420,360
Trade creditors	1,875,580	1,085,207
Corporation tax	1,661,250	1,333,472
Social security and other taxes	677,848	587,251
Dividends payable	2,121	2,121
Other creditors	14,093	2,304
Accruals and deferred income	1,266,062	1,649,034
	<u>7,922,842</u>	<u>5,079,749</u>

12 CREDITORS

Amounts falling due after more than one year

	28 February 2013	29 February 2012
	£	£
Loan from pension fund (Note 16)	300,000	630,000
Share capital treated as debt (Note 17)	6,667	6,667
	<u>306,667</u>	<u>636,667</u>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 17

13 DEFERRED TAXATION

	28 February 2013	29 February 2012
	£	£
At beginning of year	(18,427)	(18,427)
Released during year	99,962	-
	<u>81,535</u>	<u>(18,427)</u>

The deferred taxation balance is made up as follows

	28 February 2013	29 February 2012
	£	£
Timing differences on fixed assets	<u>81,535</u>	<u>(18,427)</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 28 February 2013

14 CAPITAL COMMITMENTS

At 28 February 2013 the company had capital commitments as follows

	28 February 2013 £	29 February 2012 £
Contracted for but not provided in these financial statements	-	624,046

15 OPERATING LEASE COMMITMENTS

At 28 February 2013 the company had annual commitments under non-cancellable operating leases as follows

	28 February 2013 £	Land and buildings 29 February 2012 £
Expiry date:		
Within 1 year	175,000	-
Between 2 and 5 years	905,925	767,125
After more than 5 years	1,166,667	1,325,467

16 RELATED PARTY TRANSACTIONS

Creditors falling due after more than one year represents an amount of £300,000 (2012 - £630,000) due to the Boodle and Dunthorne Limited Directors' Self-Administered Pension Plan, of which NA Wainwright, MJ Wainwright and EA Wainwright are trustees. The loan is secured by a floating charge over the company's stock.

Interest of £11,192 (2012 - £25,547) at a rate of 3% over base rate has been charged on the loan during the year.

The company paid rent of £117,500 (2012 - £100,000) to the pension plan.

The company made a donation of £200,000 (2012 - £200,000) to the Boodle & Dunthorne Charitable Trust, of which NA Wainwright, MJ Wainwright and EA Wainwright are trustees.

The company paid a dividend of £118,800 (2012 - £nil) to JA Wainwright during the year.

Included within other debtors/(other creditors) at the year end are the following directors' loan account balances

	29 February 2012 Dr/(Cr) £	28 February 2013 Dr/(Cr) £	Highest debit balance during the year ended 28 February 2013 £
N A Wainwright	280,723	525,992	525,992
Mrs F J Wainwright	(2,304)	699	699
M J Wainwright	69,000	283,655	283,655
Mrs E A Wainwright	-	(2,843)	7,274
Mr J A Wainwright	115,590	153,477	153,477

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2013

17 SHARE CAPITAL

	28 February 2013 £	29 February 2012 £
Shares classified as capital		
Allotted, called up and fully paid		
333,674 Ordinary shares of £1 each	333,674	333,674
	<u>333,674</u>	<u>333,674</u>
Shares classified as debt		
Allotted, called up and fully paid		
66,666 Preference shares of £0.10 each	6,667	6,667
	<u>6,667</u>	<u>6,667</u>

The rights of preference shareholders include entitlement to receive a cumulative dividend at the rate of 6.5% per annum on paid up capital in priority to ordinary shares. This right has been waived in respect of the years ended 28 February 2013 and 29 February 2012.

18 RESERVES

	Capital redemption reserve £	Other reserves £	Profit and loss account £
At 1 March 2012	65,659	1,781	31,346,122
Profit for the year	-	-	4,895,071
Dividends	-	-	(118,800)
	<u>65,659</u>	<u>1,781</u>	<u>36,122,393</u>
At 28 February 2013	<u>65,659</u>	<u>1,781</u>	<u>36,122,393</u>

19 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	28 February 2013 £	29 February 2012 £
Opening shareholders' funds	31,747,236	27,408,820
Profit for the year	4,895,071	4,338,416
Dividends (Note 20)	(118,800)	-
	<u>36,523,507</u>	<u>31,747,236</u>
Closing shareholders' funds	<u>36,523,507</u>	<u>31,747,236</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2013

20 DIVIDENDS

	2013	2012
	£	£
Dividends paid	118,800	-

21 NET CASH FLOW FROM OPERATING ACTIVITIES

	2013	2012
	£	£
Operating profit	6,804,053	6,201,866
Depreciation of tangible fixed assets	735,814	586,476
Loss on disposal of tangible fixed assets	-	52,452
Increase in stocks	(5,429,551)	(6,466,360)
Increase in debtors	(136,933)	(429,765)
Increase/(decrease) in creditors	2,515,315	(3,027,894)
Net cash inflow/(outflow) from operating activities	4,488,698	(3,083,225)

22 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013	2012
	£	£
Returns on investments and servicing of finance		
Interest received	1,218	17,519
Interest paid	(32,384)	(30,969)
Net cash outflow from returns on investments and servicing of finance	(31,166)	(13,450)

	2013	2012
	£	£
Taxation		
Corporation tax	(1,650,000)	(1,025,454)

	2013	2012
	£	£
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(1,526,495)	(1,078,471)
Sale of tangible fixed assets	-	4,991
Net cash outflow from capital expenditure	(1,526,495)	(1,073,480)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2013

22 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2013 £	2012 £
Financing		
Repayment of loans	(330,000)	(200,000)

23 ANALYSIS OF CHANGES IN NET FUNDS

	1 March 2012 £	Cash flow £	28 February 2013 £
Cash at bank and in hand	683,523	832,237	1,515,760
Debt:			
Debts falling due after more than one year	(636,667)	330,000	(306,667)
Net funds	46,856	1,162,237	1,209,093

24 CONTROLLING PARTY

In the opinion of the directors there is no ultimate controlling party