

Boodle & Dunthorne Limited

Report And Financial Statements

28 February 2018

Rees Pollock
Chartered Accountants

SATURDAY



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17/11/2018
COMPANIES HOUSE

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 number 00472968

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

DIRECTORS' REPORT
For the Year Ended 28 February 2018

The directors present their report and the financial statements for the year ended 28 February 2018.

Results and dividends

The profit for the year, after taxation, amounted to £5,175,446 (2017: £8,644,025).

A dividend of £1,614,879 (2017: £4,557,879) was paid during the year.

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

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Charitable contributions

During the year the Company made charitable contributions of £387,552 (2017: £313,728).

Future developments

Details of likely future developments are included in the Strategic Report.

DIRECTORS' REPORT (CONTINUED)
For the Year Ended 28 February 2018

Disclosure of information to auditors

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

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

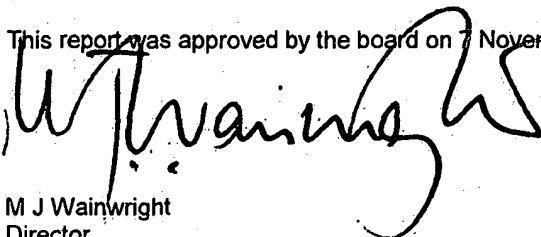
Post balance sheet events

Subsequent to the balance sheet date the Company exited from its Grosvenor House shop. Details of the charges incurred during the year in respect of the exit are included in note 11.

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 7 November 2018 and signed on its behalf.



M J Wainwright
Director

STRATEGIC REPORT
For the Year Ended 28 February 2018

Introduction

The principal activity of the Company continues to be that of designer jewellers.

Business review

The Company's balance sheet as detailed on 7 shows a strong position with shareholders' funds amounting to £57,275,408 (2017: £53,714,841).

Principal risks and uncertainties

The only serious risks to the Company continue to be of a macro economic nature (or catastrophe) beyond the Company's control.

Financial key performance indicators

Profit before tax was down due to a slightly more difficult trading environment. On top of this the Company took an Exceptional Loss of £930,000 (note 11) to write off the Grosvenor House Hotel venture, and we were trading out of a temporary shop in Harrods for much of the year.

At the time of writing (October 2018) jewellery sales are significantly up year on year, and it is expected that the Company will revert to normal profitability in 2018/2019.

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



M J Wainwright
Director

Date: 7 November 2018

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
BOODLE & DUNTHORNE LIMITED**

Opinion

We have audited the financial statements of Boodle & Dunthorne Limited (the 'Company') for the year ended 28 February 2018, which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 28 February 2018 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 auditors' 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BOODLE & DUNTHORNE LIMITED (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the 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.

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 or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 on page 1, 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.

Auditors' 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 auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of our 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 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.

Philip Vipond (senior statutory auditor)

for and on behalf of

Rees Pollock, Statutory Auditor

16 November 2018

STATEMENT OF INCOME AND RETAINED EARNINGS
For the Year Ended 28 February 2018

	Note	2018 £	2017 £
Turnover	4	70,803,992	67,074,367
Cost of sales		(37,924,103)	(33,274,725)
Gross profit		32,879,889	33,799,642
Administrative expenses		(24,585,226)	(22,543,500)
Exceptional administrative expenses	11	(930,335)	-
Operating profit	5	7,364,328	11,256,142
Interest receivable and similar income		205	1,621
Interest payable and expenses	9	(54,444)	(19,730)
Profit before tax		7,310,089	11,238,033
Tax on profit	10	(2,134,643)	(2,594,008)
Profit after tax		5,175,446	8,644,025
Retained earnings at the beginning of the year		53,313,727	49,227,581
		53,313,727	49,227,581
Profit for the year		5,175,446	8,644,025
Dividends declared and paid		(1,614,879)	(4,557,879)
Retained earnings at the end of the year		56,874,294	53,313,727

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of income and retained earnings.

The notes on pages 9 to 22 form part of these financial statements.

BALANCE SHEET
As at 28 February 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	12	884,110	928,462
Tangible assets	13	11,254,882	9,529,393
		<u>12,138,992</u>	<u>10,457,855</u>
Current assets			
Stocks	14	45,902,716	44,786,684
Debtors: amounts falling due within one year	15	5,225,383	5,144,897
Cash at bank and in hand		5,791,980	2,928,665
		<u>56,920,079</u>	<u>52,860,246</u>
Creditors: amounts falling due within one year	16	(11,287,474)	(9,401,521)
Net current assets		<u>45,632,605</u>	<u>43,458,725</u>
Total assets less current liabilities		<u>57,771,597</u>	<u>53,916,580</u>
Creditors: amounts falling due after more than one year	17	(6,667)	(6,667)
Provisions for liabilities			
Deferred tax	18	(169,966)	(195,072)
Other provisions	19	(319,556)	-
		<u>(489,522)</u>	<u>(195,072)</u>
Net assets		<u>57,275,408</u>	<u>53,714,841</u>
Capital and reserves			
Called up share capital	20	333,674	333,674
Capital redemption reserve		65,659	65,659
Other reserves		1,781	1,781
Profit and loss account		56,874,294	53,313,727
		<u>57,275,408</u>	<u>53,714,841</u>

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

N A Wainwright
Chairman

M J Wainwright
Managing Director

Date: 7 November 2018

The notes on pages 9 to 22 form part of these financial statements.

STATEMENT OF CASH FLOWS
For the Year Ended 28 February 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	5,175,446	8,644,025
Adjustments for:		
Amortisation of intangible assets	100,920	65,962
Depreciation of tangible assets	1,392,907	1,168,359
Impairments of fixed assets	610,779	-
Interest paid	54,444	19,730
Interest received	(205)	(1,621)
Taxation charge	2,134,643	2,594,008
(Increase)/decrease in stocks	(1,116,032)	211,732
Decrease/(increase) in debtors	40,757	(147,527)
Increase in creditors	2,209,844	790,252
Increase in provisions	319,556	-
Corporation tax (paid)	(2,483,640)	(1,836,511)
Net cash generated from operating activities	8,439,419	11,508,409
Cash flows from investing activities		
Purchase of intangible fixed assets	(56,568)	(97,260)
Purchase of tangible fixed assets	(3,850,418)	(5,440,147)
Interest received	205	1,621
Net cash from investing activities	(3,906,781)	(5,535,786)
Cash flows from financing activities		
Dividends paid	(1,614,879)	(4,557,879)
Interest paid	(54,444)	(19,730)
Net cash used in financing activities	(1,669,323)	(4,577,609)
Net increase in cash and cash equivalents	2,863,315	1,395,014
Cash and cash equivalents at beginning of year	2,928,665	1,533,651
Cash and cash equivalents at the end of year	5,791,980	2,928,665
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	5,791,980	2,928,665
	5,791,980	2,928,665

The notes on pages 9 to 22 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 28 February 2018

1. General information

The Company is a private company limited by shares, incorporated in the UK and registered at 178 New Bond Street, London, W1S 4RH.

The principal activity of the Company continues to be that of designer jewellers.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

2.2 Turnover

Turnover is recognised at the point where the rights to ownership have transferred to the customer. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.3 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the statement of income and retained earnings on a straight line basis over the lease term.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard on 1 March 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is the pound sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 28 February 2018

2. Accounting policies (continued)

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Software	- 10 years
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2.6 Tangible fixed assets

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

Depreciation is provided on the following basis:

Leasehold property	- straight line over the shorter of the lease term and 10 years
Fixtures and fittings	- 5 or 10 years
Computer equipment	- 3 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of income and retained earnings.

2.7 Stocks

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 28 February 2018

2. Accounting policies (continued)

2.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, and loans to and from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

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

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

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

2.9 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 28 February 2018

2. Accounting policies (continued)

2.11 Provisions for liabilities

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

Provisions are charged as an expense to the statement of income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

2.12 Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

2.13 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 28 February 2018

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

The preparation of the Company's financial statements requires management to make significant accounting judgments, estimates and assumptions that affect the reported amounts in the financial statements. The directors continually evaluate their significant accounting judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. The directors base their judgments and estimates on historical experience and on other various factors they believe to be reasonable under the circumstances, the result of which form the basis of the carrying value of assets and liabilities that are not readily apparent from other sources.

The directors have identified the following critical accounting policies for which significant judgments, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Stock provision

Included within stock at the balance sheet date is a provision of £3,044,907 (2017 - £2,988,204) in respect of obsolete and slow-moving stock lines. The provision is based on an assessment of the projected volume, timing and value of future sales of stock, and the costs of realisation, and is estimated based on historical sales data and the experience of management.

Onerous lease provision

Included in provisions at the balance sheet date is an amount in respect of operating lease contracts that have become onerous, being the present value of the outstanding net obligation arising on the onerous lease. At the balance sheet date this provision totalled £319,556. The amount was not discounted as it was expected to be paid in full within 2 months of the balance sheet date

Fixed asset impairment

The Directors review whether fixed assets for risk of impairment at each balance sheet date. Where an indication of impairment is identified the impairment review requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

During the year an impairment charge of £610,779 was recognised; this was calculated based on the assumption that the assets subject to the charge had no recoverable value at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 28 February 2018

4. Turnover

The whole of the turnover is attributable to the principal activity of the business.

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	51,584,278	49,783,587
Ireland	2,184,955	3,570,244
Sales exported overseas	17,034,759	13,720,536
	<u>70,803,992</u>	<u>67,074,367</u>

5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Exchange differences	(208,934)	103,223
Other operating lease rentals	5,669,670	4,984,083
	<u>5,460,736</u>	<u>5,087,306</u>

6. Auditors' remuneration

	2018 £	2017 £
The auditing of accounts of associates of the Company pursuant to legislation	53,500	47,000
Fees payable for non-audit services.	33,150	46,000
	<u>86,650</u>	<u>93,000</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 28 February 2018

7. Employees

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

	2018 £	2017 £
Wages and salaries	6,582,213	6,737,231
Social security costs	787,111	771,932
Cost of defined contribution scheme	544,138	304,005
	<u>7,913,462</u>	<u>7,813,168</u>

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

	2018 No.	2017 No.
Number of sales staff	53	51
Number of management, administration and design staff	52	52
	<u>105</u>	<u>103</u>

8. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	457,760	455,000
Company contributions to defined contribution pension schemes	167,707	67,299

During the year retirement benefits were accruing to 4 directors (2017 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £120,000 (2017 - £120,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £50,000 (2017 - £NIL).

9. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	44,271	15,125
Other interest payable	10,173	4,605
	<u>54,444</u>	<u>19,730</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 28 February 2018

10. Taxation

	2018 £	2017 £
UK corporation tax		
Current tax on profits for the year	1,870,000	2,480,000
Adjustments in respect of previous periods	54,820	48,293
Foreign tax on income for the year	93,813	-
Foreign tax in respect of prior periods	141,116	-
	<u>234,929</u>	<u>-</u>
Total current tax	<u>2,159,749</u>	<u>2,528,293</u>
Deferred tax		
Origination and reversal of timing differences	(25,106)	65,715
Taxation on profit on ordinary activities	<u>2,134,643</u>	<u>2,594,008</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 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	7,310,089	11,238,033
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	1,388,917	2,247,607
Effects of:		
Expenses not deductible for tax purposes	426,634	316,908
Adjustments to tax charge in respect of prior periods	195,936	48,293
Effect of change in tax rates	8,113	-
Re-measurement of deferred tax	21,230	(18,800)
Overseas branch taxed at different rate	93,813	-
Total tax charge for the year	<u>2,134,643</u>	<u>2,594,008</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 28 February 2018

11. Exceptional items

	2018 £	2017 £
Provisions in respect of Grosvenor House	<u>930,335</u>	<u>-</u>

Provisions in respect of Grosvenor House include lease exit costs and fixed asset impairment charges.

12. Intangible assets

	Software £
Cost	
At 1 March 2017	1,367,310
Additions	56,568
At 28 February 2018	<u>1,423,878</u>
Amortisation	
At 1 March 2017	438,848
Charge for the year	100,920
At 28 February 2018	<u>539,768</u>
Net book value	
At 28 February 2018	<u>884,110</u>
At 28 February 2017	<u>928,462</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 28 February 2018

13. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 March 2017	16,302,078	2,800,228	148,157	19,250,463
Additions	3,201,293	498,484	29,398	3,729,175
Disposals	(2,635,916)	(325,210)	-	(2,961,126)
Transfers between classes	(120,902)	120,902	-	-
At 28 February 2018	16,746,553	3,094,404	177,555	20,018,512
Depreciation				
At 1 March 2017	7,346,599	2,373,179	1,292	9,721,070
Charge for the year on owned assets	1,135,437	242,745	14,725	1,392,907
Disposals	(2,635,916)	(325,210)	-	(2,961,126)
Impairment charge	609,467	1,312	-	610,779
At 28 February 2018	6,455,587	2,292,026	16,017	8,763,630
Net book value				
At 28 February 2018	10,290,966	802,378	161,538	11,254,882
At 28 February 2017	8,955,479	427,049	146,865	9,529,393

14. Stocks

	2018 £	2017 £
Raw materials and consumables	259,145	275,029
Work in progress	2,586,870	2,634,692
Finished goods and goods for resale	43,056,701	41,876,963
	45,902,716	44,786,684

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 28 February 2018

15. Debtors

	2018 £	2017 £
Trade debtors	3,058,737	3,659,247
Other debtors	603,095	158,553
Prepayments and accrued income	1,563,551	1,327,097
	<u>5,225,383</u>	<u>5,144,897</u>

16. Creditors: Amounts falling due within one year

	2018 £	2017 £
Payments received on account	833,220	1,095,857
Trade creditors	4,761,461	613,923
Corporation tax	1,593,342	1,917,233
Other taxation and social security	913,885	1,249,355
Other creditors	1,078,907	1,382,845
Accruals and deferred income	2,106,659	3,142,308
	<u>11,287,474</u>	<u>9,401,521</u>

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

	2018 £	2017 £
Share capital treated as debt	<u>6,667</u>	<u>6,667</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 28 February 2018

18. Deferred taxation

	2018 £
At beginning of year	(195,072)
Charged to the profit or loss	25,106
At end of year	(169,966)

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Timing differences	169,966	195,072

19. Provisions

	Onerous lease provision £
Charged to profit or loss	319,556
At 28 February 2018	319,556

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 28 February 2018

20. Share capital

	2018 £	2017 £
Shares classified as equity		
Allotted, called up and fully paid		
333,674 (2017 - 333,674) Ordinary shares of £1.00 each	<u>333,674</u>	<u>333,674</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

	2018 £	2017 £
Shares classified as debt		
Allotted, called up and fully paid		
66,666 (2017 - 66,666) Preference shares of £0.10 each	<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 2018 and 28 February 2017. The preference shares carry no voting rights.

21. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £544,138 (2017 - £304,005). Contributions totalling £9,570 (2017 - £47,416) were payable to the fund at the balance sheet date and are included in creditors.

22. Commitments under operating leases

At 28 February 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	3,231,858	3,200,708
Later than 1 year and not later than 5 years	12,439,885	12,126,719
Later than 5 years	23,879,098	25,894,121
Total	<u><u>39,550,841</u></u>	<u><u>41,221,548</u></u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 28 February 2018

23. Related party transactions

During the year the Company paid rent of £124,000 (2017 - £124,000) to the Boodle and Dunthorne Limited Directors' Self-Administered Pension Plan, of which NA Wainwright, MJ Wainwright and EA Wainwright are trustees.

The Company made a donation of £182,000 (2017 - £200,000) to the Boodle & Dunthorne Charitable Trust, of which NA Wainwright, MJ Wainwright and EA Wainwright are trustees.

The Company declared dividends of £500,000 (2017 - £1,800,000) to NA Wainwright, £500,000 (2017 - £1,800,000) to MJ Wainwright, £300,000 (2017 - £300,000) to JA Wainwright and £330,000 (2017 - £660,000) to JB Amos during the year. £1,735,328 (2017 - £3,259,501) was paid out in relation to these during the year.

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

	28 February 2018 Dr/(Cr) £	28 February 2017 Dr/(Cr) £	Highest debit balance during the year ended 28 February 2018 £
N A Wainwright	(435,149)	(499,044)	57,798
F J Wainwright	10,885	9,882	11,135
M J Wainwright	(381,799)	(819,446)	12,114
Mrs E A Wainwright	(24,711)	(12,304)	-
Mr J A Wainwright	(98,553)	23,881	173,241
Mr J B Amos	(129,071)	79,838	201,642

24. Controlling party

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