

Registered number: 00472968

Boodle & Dunthorne Limited

Report And Financial Statements

28 February 2021

Blick Rothenberg Audit LLP.
Chartered Accountants

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COMPANIES HOUSE

Boodle & Dunthorne Limited

COMPANY INFORMATION

Directors	N A Wainwright (Chairman) M J Wainwright (Managing Director) 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 auditor	Blick Rothenberg Audit LLP Chartered Accountants 16 Great Queen Street Covent Garden London WC2B 5AH
Bankers	Barclays Bank plc 48b - 50 Lord Street Liverpool L2 1TD

DIRECTORS' REPORT
For the Year Ended 28 February 2021

The directors present their report and the financial statements for the year ended 28 February 2021.

• **Results and dividends**

The profit for the year, after taxation, amounted to £4,232,814 (2020 - £5,265,439).

A dividend of £2,249,470 (2020: £2,807,745) 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 (deceased 5 April 2020)
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 £161,054 (2020: £403,177).

Future developments

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

DIRECTORS' REPORT (CONTINUED)
For the Year Ended 28 February 2021

Engagement with suppliers, customers and others

Information on engagement with suppliers, customers and others are included in the Strategic Report.

Greenhouse gas emissions, energy consumption and energy efficiency action

In line with Streamlined Energy and Carbon Reporting (SECR) requirements we have reported on the underlying energy use during the financial year.

	kWh
Energy Consumption	
Electricity	484,912
Gas	679

485,591

	tCO ₂ e
Greenhouse Gas Emissions	
From Purchased Electricity	113.06
From Purchased Gas	0.12
	<hr/> 113.18 <hr/>

Intensity Ratios

tCO ₂ e per full-time employee	1.17
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Methodology

We have used a bottom up consumption/activity based approach to calculating emissions based on the most recent BEIS Conversion Factor figures as well as supplier specific factors for market based electricity emissions. Where possible we have used actual activity data kept in house on gas (kWh) and electricity (kWh) however some spend based consumption data has been used as well as using site square footage and benchmarking figures (kWh/m²) to plug any data gaps. These figures do not include our Dublin site as per SECR requirements

Guidance to complete the emissions calculations have been taken from BEIS guidance for company reporting as well as using fundamental principles of the GHG Protocol. An operational control approach has been adopted.

Boodle & Dunthorne Limited

DIRECTORS' REPORT (CONTINUED)
For the Year Ended 28 February 2021

Disclosure of information to auditor

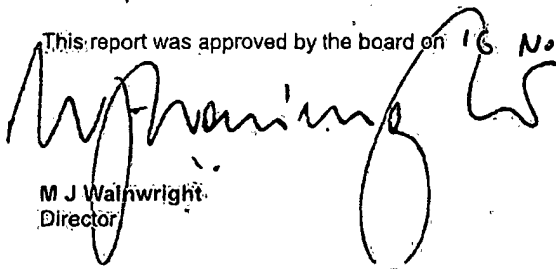
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information.

Auditor

The auditor, Blick Rothenberg Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 16 November 2021 and signed on its behalf.



M J Wainwright
Director

STRATEGIC REPORT
For the Year Ended 28 February 2021

Introduction

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

Business review

The Company's balance sheet as detailed on 10 shows a strong position with shareholders' funds amounting to £66,397,961 (2020: £64,414,617).

Boodles weathered the year well in the circumstances. Our nine stores were closed for six out of twelve months due to Covid lockdown. As a result sales are markedly lower than in the previous year. Even when we were closed, however, some business was conducted remotely or on location in customers' homes.

Administrative expenses were also substantially lower. Rates cancellation for the year made a saving of some £1.4 million. The company made use of the furlough scheme in lockdown one but far less so in the subsequent lockdowns. Marketing and event costs were much lower than in a normal year also.

Business has bounced strongly since the year end and the end of lockdown in May 2021, at the time of writing.

Principal risks and uncertainties

The only serious risks to the Company would appear to be of a macroeconomic nature (or catastrophe) beyond the Company's control.

Directors' statement of compliance with duty to promote the success of the Company

The Directors have managed the Company with regard to the long term since its inception. The Directors have made, and will continue to make, long term decisions that take into consideration:

1. The interests of the Company's employees and their families;
2. The need to create and sustain open, respectful relationships with the business's clients, suppliers and wider stakeholders;
3. The business's impact on its community and the environment;
4. The desirability of the Company to always conduct its affairs with the highest standards business conduct;
5. The principle of acting fairly and equitably at all times when representing different interests and stakeholders.

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


M J Wainwright
Director

Date:

16/11/21

SUSTAINABILITY REPORTING
For the Year Ended 28 February 2021

This financial year can be seen as a turning point in the company's approach to sustainability, both in terms of awareness and commitment. As an early signatory to 'The Walpole Sustainability Manifesto' in April 2020, Boodles has subsequently taken a prominent role on the Walpole Sustainability Committee for Watches and Jewellery, to drive positive change at industry level. One of the company directors completed an intensive course with the Cambridge Institute for Sustainability Leadership (CISL) in order to focus on sustainability within the business.

Responsible sourcing and supply chain accountability have remained high on the list of priorities, and the company continues to work with three Responsible Jewellery Council (RJC) accredited suppliers, to provide in excess of 90% of diamonds by volume. Furthermore, our continued partnership with Petra, the owners of The Cullinan Mine, has given Boodles access to a small supply of fully traceable diamonds from this one mine.

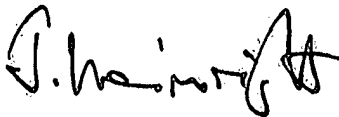
The 'Boodles Exclusion Policy' continues to be monitored on a monthly basis, in line with industry best practice. Details can be found on www.boodles.com/pages/exclusion-policy.

The directors are committed to 'responsible' gold sourcing, with a particular focus on supporting African mining communities. The relationship with Betts Metals and Hummingbird has strengthened further during this year with approximately 99% of all new jewellery now being made with fully traceable and auditable 'Single Mine Origin' (SMO) gold from the Yanfolila Mine in Mali. It is likely that this figure will change to 100% in the early part of the next financial year.

The Boodles 'Sustainability Committee' has made a number of changes at shop and department level, focusing on the sustainability credentials of suppliers and the carbon footprint of the delivery process. All paper used in brochure printing is now sustainably sourced and offset with the World Land Trust. All UK shops and head office changed to renewable energy in October 2020.


J A Wainwright
Director of Precious Gemstones

Date: 16.11.2021



J B Amos
Director of Marketing and Sustainability

Date: 16.11.21



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOODLE & DUNTHORNE LIMITED

Opinion

We have audited the financial statements of Boodle & Dunthorne Limited (the 'Company') for the year ended 28 February 2021, 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 2021 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 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOODLE & DUNTHORNE LIMITED
(CONTINUED)**

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 set out 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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, and non-compliance with laws and regulations, our procedures included the following: enquiring of management concerning the Company's policies with regards identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; enquiring of management concerning the Company's policies detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; enquiring of management concerning the Company's policies in relation to the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations; discussing among the engagement team where fraud might occur in the financial statements and any potential indicators of fraud; and obtaining an understanding of the legal and regulatory framework that the Company operates in and focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Company. The key laws and regulations we considered in this context included the UK Companies Act 2006 and applicable tax legislation.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOODLE & DUNTHORNE LIMITED
(CONTINUED)**

One particular focus area was the risk of fraud through management override of controls. Our procedures to respond to risks identified included the following: performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; reviewing the bank statements of the Company for evidence of any large or unusual activity which may be indicative of fraud; enquiring of management in relation to any potential litigation and claims; and testing the appropriateness of journal entries and other adjustments.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditor's 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 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.

Philip Vipond (senior statutory auditor)

for and on behalf of
Blick Rothenberg Audit LLP

Chartered Accountants
Statutory Auditor

16 Great Queen Street
Covent Garden
London
WC2B 5AH
Date: 17/11/21

Boodle & Dunthorne Limited

STATEMENT OF INCOME AND RETAINED EARNINGS
For the Year Ended 28 February 2021

	Note	2021 £	2020 £
Turnover	4	49,543,646	74,046,068
Cost of sales		(25,623,084)	(38,079,942)
Gross profit		23,920,562	35,966,126
Administrative expenses		(19,480,869)	(28,758,811)
Other operating income	5	919,179	-
Operating profit	6	5,358,872	7,207,315
Interest receivable and similar income		6,314	12,460
Interest payable and similar expenses	10	(4,130)	(13,784)
Profit before tax		5,361,056	7,205,991
Tax on profit	11	(1,128,242)	(1,940,552)
Profit after tax		4,232,814	5,265,439
Retained earnings at the beginning of the year		64,013,503	61,555,809
		64,013,503	61,555,809
Profit for the year		4,232,814	5,265,439
Dividends declared and paid		(2,249,470)	(2,807,745)
Retained earnings at the end of the year		65,996,847	64,013,503

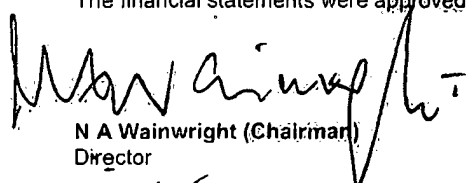
There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of income and retained earnings.

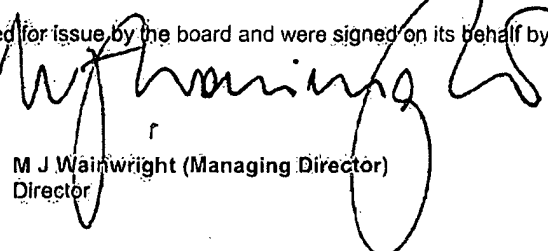
The notes on pages 13 to 26 form part of these financial statements.

BALANCE SHEET
As at 28 February 2021

	Note	28 February 2021 £	29 February 2020 £
Fixed assets			
Intangible assets	12	699,344	739,517
Tangible assets	13	8,998,660	10,326,335
		<u>9,698,004</u>	<u>11,065,852</u>
Current assets			
Stocks	14	49,840,608	51,621,414
Debtors: amounts falling due within one year	15	3,896,137	5,476,039
Cash at bank and in hand		13,073,013	7,153,310
		<u>66,809,758</u>	<u>64,250,763</u>
Creditors: amounts falling due within one year	16	(9,473,134)	(10,155,331)
Net current assets		<u>57,336,624</u>	<u>54,095,432</u>
Total assets less current liabilities		<u>67,034,628</u>	<u>65,161,284</u>
Creditors: amounts falling due after more than one year	17	(6,667)	(6,667)
Provisions for liabilities			
Deferred tax	18	(630,000)	(740,000)
Net assets		<u><u>66,397,961</u></u>	<u><u>64,414,617</u></u>
Capital and reserves			
Called up share capital	19	333,674	333,674
Capital redemption reserve		65,659	65,659
Other reserves		1,781	1,781
Profit and loss account		65,996,847	64,013,503
		<u>66,397,961</u>	<u>64,414,617</u>

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


N A Wainwright (Chairman)
Director


M J Wainwright (Managing Director)
Director

Date: 15.11.21

The notes on pages 13 to 26 form part of these financial statements.

Boodle & Dunthorne Limited

STATEMENT OF CASH FLOWS
For the Year Ended 28 February 2021

	28 February 2021 £	29 February 2020 £
Cash flows from operating activities		
Profit for the financial year	4,232,814	5,265,439
Adjustments for:		
Amortisation of intangible assets	66,983	72,480
Depreciation of tangible assets	1,827,842	1,803,921
Interest paid	4,130	13,784
Interest received	(6,314)	(12,460)
Taxation charge	1,128,242	1,940,552
Decrease/(increase) in stocks	1,780,806	(4,160,532)
Decrease in debtors	1,579,902	762,960
(Decrease)/increase in creditors	(970,111)	555,648
Corporation tax (paid)	(950,328)	(2,802,400)
Net cash generated from operating activities	8,693,966	3,439,392
Cash flows from investing activities		
Purchase of intangible fixed assets	(26,810)	(45,549)
Purchase of tangible fixed assets	(500,167)	(1,443,122)
Interest received	6,314	12,460
Net cash from investing activities	(520,663)	(1,476,211)
Cash flows from financing activities		
Dividends paid	(2,249,470)	(2,807,745)
Interest paid	(4,130)	(13,784)
Net cash used in financing activities	(2,253,600)	(2,821,529)
Net increase/(decrease) in cash and cash equivalents	5,919,703	(858,348)
Cash and cash equivalents at beginning of year	7,153,310	8,011,658
Cash and cash equivalents at the end of year	13,073,013	7,153,310
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	13,073,013	7,153,310
	13,073,013	7,153,310

Boodle & Dunthorne Limited

ANALYSIS OF NET DEBT
For the Year Ended 28 February 2021

	At 1 March 2020 £	Cash flows £	At 28 February 2021 £
Cash at bank and in hand	7,153,310	5,919,703	13,073,013
Debt due after 1 year	(6,667)		(6,667)
Debt due within 1 year	(396,000)	(1,278,765)	(1,674,765)
	<u>6,750,643</u>	<u>4,640,938</u>	<u>11,391,581</u>

The notes on pages 13 to 26 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 28 February 2021

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 Going concern

The directors have prepared forecasts which indicate the Company has sufficient resources to meet its liabilities as and when they fall due for at least the next twelve months. Accordingly, the directors have prepared the financial statements on a going concern basis.

The directors have considered the specific impact of the COVID-19 pandemic on the future results of the Company in the Directors' Report.

2.3 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.

2.4 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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 28 February 2021

2. Accounting policies (continued)

2.5 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.

2.6 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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2.7 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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 28 February 2021

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

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 improvements	- 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 profit or loss.

2.8 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 2021

2. Accounting policies (continued)

2.9 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.

2.10 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the statement of income and retained earnings in the same period as the related expenditure.

2.11 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.

2.12 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 profit or loss 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 2021

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

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 £3,311,966 (2020 - £3,461,999) 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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 28 February 2021

4. Turnover

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

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	35,983,664	54,451,018
Rest of Europe	2,699,976	3,469,387
Rest of the world	10,860,006	16,125,663
	<u>49,543,646</u>	<u>74,046,068</u>

5. Other operating income

	2021 £	2020 £
Government grants receivable	<u>919,179</u>	<u>-</u>

During the period, the Company participated in the Coronavirus Job Retention Scheme which was made available by the Government to help ease the impact of the Covid-19 pandemic.

6. Operating profit

The operating profit is stated after charging/(crediting):

	2021 £	2020 £
Exchange differences	(26,467)	120,955
Operating leases - land and buildings	5,176,727	6,169,333
Depreciation of tangible fixed assets	1,827,842	1,803,921
Amortisation of intangible fixed assets	<u>66,983</u>	<u>72,480</u>

7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	52,000	50,000
Fees payable for non-audit services	<u>24,750</u>	<u>23,600</u>
	<u>76,750</u>	<u>73,600</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 28 February 2021

8. Employees

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

	2021 £	2020 £
Wages and salaries	6,287,477	8,772,999
Social security costs	711,429	1,020,529
Cost of defined contribution scheme	405,275	411,567
	<u>7,404,181</u>	<u>10,205,095</u>

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

	2021 No.	2020 No.
Number of sales staff	50	52
Number of management, administration and design staff	48	52
	<u>98</u>	<u>104</u>

9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	686,667	2,305,000
Company contributions to defined contribution pension schemes	113,714	115,710

During the year retirement benefits were accruing to 2 directors (2020 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £120,000 (2020 - £800,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £16,560 (2020 - £17,710).

10. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	69	140
Other interest payable	4,061	13,644
	<u>4,130</u>	<u>13,784</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 28 February 2021

11. Taxation

	2021 £	2020 £
UK corporation tax		
Current tax on profits for the year	1,210,000	1,588,827
Adjustments in respect of previous periods	-	(331,351)
Foreign tax on income for the year	28,242	53,076
Total current tax	1,238,242	1,310,552
Deferred tax		
Origination and reversal of timing differences	(110,000)	630,000
Total deferred tax	(110,000)	630,000
Taxation on profit on ordinary activities	1,128,242	1,940,552

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% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	5,361,056	7,205,991
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	1,018,601	1,369,138
Effects of:		
Expenses not deductible for tax purposes	195,466	377,581
Adjustments to tax charge in respect of prior periods	-	(331,351)
Re-measurement of deferred tax	(114,067)	472,108
Overseas branch taxed at different rate	28,242	53,076
Total tax charge for the year	1,128,242	1,940,552

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Boodle & Dunthorne Limited

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 28 February 2021

12. Intangible assets

	Software £
Cost	
At 1 March 2020	1,469,315
Additions	26,810
At 28 February 2021	<u>1,496,125</u>
Amortisation	
At 1 March 2020	729,798
Charge for the year on owned assets	66,983
At 28 February 2021	<u>796,781</u>
Net book value	
At 28 February 2021	<u>699,344</u>
At 29 February 2020	<u>739,517</u>

Boodle & Dunthorne Limited

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 28 February 2021

13. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 March 2020	17,424,686	3,573,942	261,052	21,259,680
Additions	126,130	351,016	23,021	500,167
At 28 February 2021	17,550,816	3,924,958	284,073	21,759,847
Depreciation				
At 1 March 2020	8,580,763	2,282,497	70,085	10,933,345
Charge for the year on owned assets	1,502,277	248,992	76,573	1,827,842
At 28 February 2021	10,083,040	2,531,489	146,658	12,761,187
Net book value				
At 28 February 2021	7,467,776	1,393,469	137,415	8,998,660
At 29 February 2020	8,843,923	1,291,445	190,967	10,326,335

14. Stocks

	28 February 2021 £	29 February 2020 £
Raw materials and consumables	319,730	693,959
Work in progress (goods to be sold)	2,287,819	2,530,202
Finished goods and goods for resale	47,233,059	48,397,253
	49,840,608	51,621,414

Boodle & Dunthorne Limited

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 28 February 2021

15. Debtors

	28 February 2021 £	29 February 2020 £
Trade debtors	2,592,887	3,677,394
Other debtors	181,471	602,085
Prepayments and accrued income	1,121,779	1,196,560
	<u>3,896,137</u>	<u>5,476,039</u>

16. Creditors: Amounts falling due within one year

	28 February 2021 £	29 February 2020 £
Payments received on account	1,038,056	1,112,273
Trade creditors	605,275	1,669,980
Corporation tax	1,232,889	944,975
Other taxation and social security	2,394,423	1,200,509
Other creditors	1,674,765	396,000
Accruals and deferred income	2,527,726	4,831,594
	<u>9,473,134</u>	<u>10,155,331</u>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 19.

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

	28 February 2021 £	29 February 2020 £
Share capital treated as debt	6,667	6,667

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 28 February 2021

18. Deferred taxation

	2021 £
At beginning of year	740,000
Charged to the profit or loss	110,000
At end of year	630,000

The provision for deferred taxation is made up as follows:

	28 February 2021 £	29 February 2020 £
Timing differences	(630,000)	(740,000)

19. Share capital

	28 February 2021 £	29 February 2020 £
Shares classified as equity		
Allotted, called up and fully paid		
333,674 (2020 - 333,674) Ordinary shares of £1.00 each	333,674	333,674

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

	28 February 2021 £	29 February 2020 £
Shares classified as debt		
Allotted, called up and fully paid		
66,666 (2020 - 66,666) Preference shares of £0.10 each	6,667	6,667

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 2021 and 29 February 2020. The preference shares carry no voting rights.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 28 February 2021

20. Capital commitments

At 28 February 2021 the Company had capital commitments as follows:

	28 February 2021 £	29 February 2020 £
Contracted for but not provided in these financial statements	1,644,881	-

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 £405,275 (2020 - £411,567). Contributions totalling £18,852 (2020 - £41,124) were payable to the fund at the balance sheet date and are included in creditors.

22. Commitments under operating leases

At 28 February 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	28 February 2021 £	29 February 2020 £
Not later than 1 year	4,235,271	4,235,271
Later than 1 year and not later than 5 years	15,526,764	15,972,764
Later than 5 years	19,145,915	22,935,186
	<u>38,907,950</u>	<u>43,143,221</u>

Subsequent to the balance sheet date, on 15 June 2021 the Company entered into a new lease with an initial term of 6 years, with rent payments of £220,000 per annum payable from 27 June 2022.

The following changes in lease payments arising from rent concessions occurring as a direct consequence of the COVID-19 pandemic have been recognised as a reduction in expense in profit or loss.

	28 February 2021 £	29 February 2020 £
Changes in lease payments arising from COVID-19 related rent concessions	80,700	=

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 28 February 2021

23. Related party transactions

During the year the Company paid rent of £62,000 (2020 - £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 £100,000 (2020 - £281,000) to the Boodle & Dunthorne Charitable Trust, of which, NA Wainwright, MJ Wainwright and EA Wainwright are trustees.

During the year dividends of £2,249,470 (2020 - £2,807,745) were paid to the directors of the Company and their close family.

At the balance sheet date £11,246 (2020 - £267,058) is due from the directors and is included in Other Debtors, and £1,674,765 (2020 - £396,000) is due to the directors and is included in Other Creditors.

24. Controlling party

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