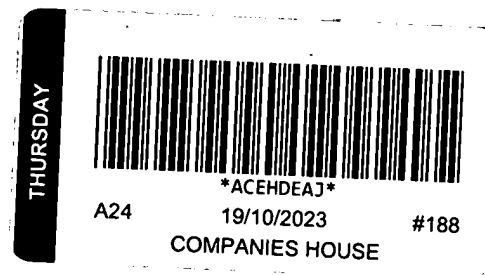


Registration number: 00610771

Shepherd and Woodward Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 January 2023



Wenn Townsend
Chartered Accountants and Statutory Auditor
30 St Giles'
Oxford
OX1 3LE

Shepherd and Woodward Limited

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Shepherd and Woodward Limited

Company Information

Directors	Mr P T Venables
	Mr R D Venables
	Mrs J Van Onselen
	Miss L Venables
	Miss L M Venables
	Mrs T Palfreyman
Registered office	109 - 113 High Street Oxford OX1 4BT
Auditors	Wenn Townsend Chartered Accountants and Statutory Auditor 30 St Giles' Oxford OX1 3LE

Shepherd and Woodward Limited

Strategic Report for the Year Ended 31 January 2023

The Directors present their strategic report for the year ended 31 January 2023.

Principal activity

The principal activity of the group is retailing of clothing, footwear and souvenirs, together with the manufacture, retail and hire of academic wear

Fair review of the business

We present a balanced review of the performance of our businesses during the year and their position at the year end. The extent of the review is consistent with the size and non-complex nature of our long established businesses, and is written with a view to the risks and uncertainties of the current political and economic climate.

The group's key financial and other performance indicators during the year were as follows:

	Unit	2023	2022
Gross profit	£	2,253,437	1,742,272
Turnover	£	3,882,277	2,746,068
Gross profit margin	%	58	63
Return on capital employed	%	5	9

Shepherd & Woodward Ltd

Turnover and margins

Much of our customer base returned following the pandemic and with a return of students to Oxford and an increase in tourist traffic we saw a 29% increase in turnover to £3.9m.

The gross profit percentage returned to the 2019 figure of 58% which was expected with an increase in manufacturing prices and postage costs and alignment of stock prices for the implementation of our new stock system. We also held a winter sale which reduced margins. Once stability returned following the pandemic the Business Interruption Loan was paid off and cashflow has been healthy throughout the year. A ROCE at 5% was pleasing despite dropping from the 2022 figures which was partly due to the receipt of government grants and increase in property values producing an inflated percentage.

The year started with the implementation of a new EPOS system and an increase in office staffing costs was necessary for the set-up of the new system.

E-commerce trading has steadily increased with the improved websites gaining traction however we continue to run them independently of the new EPOS system and with an eventual integration we'd hope to see improved sales nationally in menswear.

Marketing activities, together with margins and costs are continually under review to minimise pressure on the bottom line, particularly in relation to increased energy costs this year. The managers did a good job to reduce usage where possible. Distribution costs rose in the year due to increased costs both nationally and with export. This led to sales price increases so as not to affect the Net profit. Having run out of some academic stock during the previous year we increased our order by 50% to ensure our continued supply to students at Oxford at affordable prices. Due to the closure of our Broad Street premises, we needed to increase storage off site.

Looking forward, although the cost-of-living crisis continues to headline the news, the Directors feel that the businesses occupy a unique position within Oxford, with its heritage and academic connections.

Shepherd and Woodward Limited

Strategic Report for the Year Ended 31 January 2023

The economic climate has been carefully monitored due to the cost-of-living crisis and increases in inflation and therefore wages. We also saw price increases of goods from both the UK and abroad. Whilst retaining and improving turnover remains important, the Directors continue to be vigilant in enhancing margins and keeping costs under control to keep the group on a profitable course. We feel that the group turnover from two physical shops, being on par with our 2019 figures (achieved with three physical shops) is a good indication of a strong business going forward and justifies our decision to close the Broad Street premises.

Post Balance Sheet events

The subsidiary Castell & Son (Oxford) Ltd, has ceased trading and we have integrated the Varsity shop website into Shepherd and Woodward's trading activity. This has helped increase both the turnover and the margins for the Varsity department.

Management pinpointed growth areas at the beginning of the year and their retail focus has come to fruition giving us an increase in predicted turnover and GP margins. The group's websites are also producing increased business.

Staff recruitment continues to be challenging, partly due to the Botley Road closure and the disruptions in public transport to Oxford city centre which causes disruptions for staff living out of town. This continues to create extra work for the management and staff in the shops. They have to be praised for their response to the challenges so caused.

The group's stockholdings, which have been built up over the years are all paid for, and all the properties are now under leaseholds with good tenants.

The new accounting system, EPOS and stock control system gives us the ability to assess the health of the business in real time with monthly profit and loss figures being produced. This gives management a strong position to make instant changes by using the data that the new stock control system provides. This enables us to sustain the needs of group, Shepherd & Woodward Ltd and Walters & Co (Oxford) Ltd in the foreseeable future.

Rental Income

Residential Tenants

In this part of the Company's dealings, lettings of residential property continue to be strong. This sector is well managed by our agents who are always on top of any situations or problems.

Commercial Tenants

In the past three years, we, along with our landlords, have had to assist and give some relief to our tenants in their payment of rents. Negotiations and consideration towards the tenants resulted in most surviving the pandemic however one of our sub tenants went into liquidation resulting in a loss of commercial rents and a cost due to our head lease obligations to the landlord.

Shepherd and Woodward Limited

Strategic Report for the Year Ended 31 January 2023

Principal risks and uncertainties

The directors are constantly assessing all foreseeable risks to the businesses and with Covid restrictions lifted at the end of February, we were hopeful for a better year ahead.

The war in Ukraine and the cost-of-living crisis posed a threat initially and we were pleased to see a return of customers, students, graduates, and tourists to Oxford giving us excellent year end results.

Influencing factors for a return of footfall to the High Street included additional graduation ceremonies, a growing café culture and street side café's, the return of tourists and walking tours, and marketing campaigns for the covered market and historic Oxford.

Additionally, many of the multi nationals suffered from low levels of stock following the pandemic and customers came to the independents on the High Street who, trading locally on a smaller scale, could source stock to suit the customers of the area.

Our longevity and specialist knowledge serves well in Oxford and with solid relationships with the Colleges and many backbones to the business we have a strong and unique offering in the city.

A new EPOS and finance system implemented at the beginning of the FY enabled us to assess the business with more scrutiny and with more data points monitored in real time, prudent management, and our financial strength, we are confident we can continue to strengthen the business.

The current political and economic period would indicate that the cost-of-living crisis could affect our ongoing figures, however levels of turnover since February 2023 show that we have maximised opportunities, and the business continues to be in good form.

Approved and authorised by the Board on 12 October 2023 and signed on its behalf by:

.....*Lina Venables*.....
Miss L Venables
Director

Shepherd and Woodward Limited

Directors' Report for the Year Ended 31 January 2023

The directors present their report and the for the year ended 31 January 2023.

Disclosure of information to the auditor

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

Wenn Townsend are deemed to be reappointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continued in force under the Companies Act 2006.

Directors of the group

The directors who held office during the year were as follows:

Mr P T Venables

Mr R D Venables

Mrs J Van Onselen

Miss L Venables

Miss L M Venables

Mrs T Palfreyman

Financial instruments

Objectives and policies

We continue to build our cash resources from our successful retail operations. Our objective is to take the fullest advantage of our financial strength wherever and whenever practicable and maximise all opportunities. However, the group policy remains 'risk adverse'.

Price risk, credit risk, liquidity risk and cash flow risk

The Directors provide for sufficient working capital within the Group to continue to be able to take advantage of attractive opportunities. The group's cash flow is seasonal.

Approved and authorised by the Board on 12 October 2023 and signed on its behalf by:



Miss L Venables
Director

Shepherd and Woodward Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Shepherd and Woodward Limited

Independent Auditor's Report to the Members of Shepherd and Woodward Limited

Opinion

We have audited the financial statements of Shepherd and Woodward Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 January 2023, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, 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 group's and the parent company's affairs as at 31 January 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Shepherd and Woodward Limited

Independent Auditor's Report to the Members of Shepherd and Woodward Limited

We have nothing to report in this regard.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 6], 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.

Shepherd and Woodward Limited

Independent Auditor's Report to the Members of Shepherd and Woodward Limited

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 specific procedures for this engagement and the extent to which our procedures are capable of detecting irregularities, including fraud are detailed below:

- Enquiry of management, those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;


Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.


Ajay Bahl BA BFP FCA (Senior Statutory Auditor)
For and on behalf of Wenn Townsend, Statutory Auditor
30 St Giles'
Oxford, OX1 3LE

12 October 2023

Shepherd and Woodward Limited

Consolidated Profit and Loss Account for the Year Ended 31 January 2023

	Note	2023 £	2022 £
Turnover	3	3,882,277	2,746,068
Cost of sales		<u>(1,628,840)</u>	<u>(1,003,796)</u>
Gross profit		2,253,437	1,742,272
Distribution costs		(37,637)	(27,169)
Administrative expenses		(2,193,468)	(1,613,216)
Other operating income	4	<u>400,506</u>	<u>646,607</u>
Operating profit	5	422,838	748,494
Gain on investment properties revaluation		-	130,000
Other interest receivable and similar income	6	9,492	6,993
Interest payable and similar charges	7	<u>(2,712)</u>	<u>(5,847)</u>
Profit before tax		429,618	879,640
Taxation	10	<u>(82,162)</u>	<u>(343,706)</u>
Profit for the financial year		<u>347,456</u>	<u>535,934</u>
Profit/(loss) attributable to:			
Owners of the company		<u>347,456</u>	<u>535,934</u>

The group has no recognised gains or losses for the year other than the results above.

Shepherd and Woodward Limited

(Registration number: 00610771)
Consolidated Balance Sheet as at 31 January 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	11	43,394	52,977
Tangible assets	12	1,222,546	1,275,786
Investment property	13	4,020,000	4,020,000
		<u>5,285,940</u>	<u>5,348,763</u>
Current assets			
Stocks	15	778,568	564,914
Debtors	16	1,352,730	1,440,209
Cash at bank and in hand	17	1,136,720	1,472,218
		<u>3,268,018</u>	<u>3,477,341</u>
Creditors: Amounts falling due within one year	18	<u>(487,071)</u>	<u>(750,935)</u>
Net current assets		<u>2,780,947</u>	<u>2,726,406</u>
Total assets less current liabilities		8,066,887	8,075,169
Creditors: Amounts falling due after more than one year	18	(3,000)	(173,833)
Provisions for liabilities	19	<u>(802,000)</u>	<u>(802,000)</u>
Net assets		<u>7,261,887</u>	<u>7,099,336</u>
Capital and reserves			
Called up share capital	21	28,000	28,000
Revaluation reserve		735,040	735,040
Other reserves		3,292	3,292
Profit and loss account		<u>6,495,555</u>	<u>6,333,004</u>
Equity attributable to owners of the company		<u>7,261,887</u>	<u>7,099,336</u>
Total equity		<u>7,261,887</u>	<u>7,099,336</u>

Approved and authorised by the Board on 12 October 2023 and signed on its behalf by:



.....
Mr P T Venables
Director

The notes on pages 16 to 32 form an integral part of these financial statements.

Shepherd and Woodward Limited

(Registration number: 00610771)
Balance Sheet as at 31 January 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	11	37,573	47,727
Tangible assets	12	1,215,806	1,270,772
Investment property	13	4,020,000	4,020,000
Investments	14	648,289	648,289
		<u>5,921,668</u>	<u>5,986,788</u>
Current assets			
Stocks	15	489,586	315,362
Debtors	16	1,342,553	1,419,277
Cash at bank and in hand	17	1,128,961	1,465,495
		<u>2,961,100</u>	<u>3,200,134</u>
Creditors: Amounts falling due within one year	18	<u>(683,914)</u>	<u>(850,946)</u>
Net current assets		<u>2,277,186</u>	<u>2,349,188</u>
Total assets less current liabilities		8,198,854	8,335,976
Creditors: Amounts falling due after more than one year	18	(3,000)	(173,833)
Provisions for liabilities	19	<u>(802,000)</u>	<u>(802,000)</u>
Net assets		<u>7,393,854</u>	<u>7,360,143</u>
Capital and reserves			
Called up share capital		28,000	28,000
Revaluation reserve		735,040	735,040
Profit and loss account		<u>6,630,814</u>	<u>6,597,103</u>
Total equity		<u>7,393,854</u>	<u>7,360,143</u>

The company made a profit after tax for the financial year of £218,616 (2022 - profit of £359,158).

Approved and authorised by the Board on 12 October 2023 and signed on its behalf by:



.....
Mr P T Venables
Director

Shepherd and Woodward Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 January 2023
Equity attributable to the parent company

	Share capital £	Revaluation reserve £	Other reserves £	Retained earnings £	Total £	Total equity £
At 1 February 2022	28,000	735,040	3,292	6,333,004	7,099,336	7,099,336
Profit for the year	-	-	-	347,456	347,456	347,456
Dividends	-	-	-	(184,905)	(184,905)	(184,905)
At 31 January 2023	28,000	735,040	3,292	6,495,555	7,261,887	7,261,887

	Share capital £	Revaluation reserve £	Other reserves £	Profit and loss account £	Total £	Total equity £
At 1 February 2021	28,000	735,040	3,292	5,797,070	6,563,402	6,563,402
Profit for the year	-	-	-	535,934	535,934	535,934
Total comprehensive income	-	-	-	535,934	535,934	535,934
At 31 January 2022	28,000	735,040	3,292	6,333,004	7,099,336	7,099,336

The notes on pages 16 to 32 form an integral part of these financial statements.
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Shepherd and Woodward Limited

Statement of Changes in Equity for the Year Ended 31 January 2023

	Share capital £	Revaluation reserve £	Retained earnings £	Total £
At 1 February 2022	28,000	735,040	6,597,103	7,360,143
Profit for the year	-	-	218,616	218,616
Dividends	-	-	(184,905)	(184,905)
At 31 January 2023	28,000	735,040	6,630,814	7,393,854

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 February 2021	28,000	735,040	6,237,945	7,000,985
Profit for the year	-	-	359,158	359,158
Total comprehensive income	-	-	359,158	359,158
At 31 January 2022	28,000	735,040	6,597,103	7,360,143

The notes on pages 16 to 32 form an integral part of these financial statements.
Page 14

Shepherd and Woodward Limited

Consolidated Statement of Cash Flows for the Year Ended 31 January 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Profit for the year		347,456	535,934
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	90,647	81,479
Changes in fair value of investment property	13	-	(130,000)
Loss on disposal of tangible assets		-	233
Finance income	6	(9,492)	(6,993)
Finance costs	7	2,712	5,847
Income tax expense	10	82,162	343,706
		<u>513,485</u>	<u>830,206</u>
Working capital adjustments			
(Increase)/decrease in stocks	15	(213,654)	236,989
Decrease in debtors	16	76,173	215,236
Decrease in creditors	18	(207,902)	(135,761)
Decrease in deferred income, including government grants		<u>(1,652)</u>	<u>(4,536)</u>
Cash generated from operations		166,450	1,142,134
Income taxes paid	10	<u>(75,166)</u>	<u>-</u>
Net cash flow from operating activities		<u>91,284</u>	<u>1,142,134</u>
Cash flows from investing activities			
Interest received		9,492	6,993
Acquisitions of tangible assets		(16,780)	(6,009)
Proceeds from sale of tangible assets		-	2,465
Acquisition of intangible assets		<u>(11,044)</u>	<u>(47,987)</u>
Net cash flows from investing activities		<u>(18,332)</u>	<u>(44,538)</u>
Cash flows from financing activities			
Interest paid	7	(2,607)	(5,742)
Repayment of bank borrowing		(220,833)	(279,167)
Interest on preference shares		(105)	(105)
Dividends paid		<u>(184,905)</u>	<u>-</u>
Net cash flows from financing activities		<u>(408,450)</u>	<u>(285,014)</u>
Net (decrease)/increase in cash and cash equivalents		(335,498)	812,582
Cash and cash equivalents at 1 February		<u>1,472,218</u>	<u>659,636</u>
Cash and cash equivalents at 31 January		<u><u>1,136,720</u></u>	<u><u>1,472,218</u></u>

The notes on pages 16 to 32 form an integral part of these financial statements.

Shepherd and Woodward Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

109 - 113 High Street

Oxford

OX1 4BT

These financial statements were authorised for issue by the Board on 12 October 2023.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 January 2023.

Shepherd and Woodward Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

A subsidiary is an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the Group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the Company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

No profit and loss account is presented for the company as permitted by Section 408 of the Companies Act 2006. Its profit after tax for the financial year was £218,616 (2022: £359,158).

Going concern

The financial statements have been prepared on a going concern basis.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the group.

The group recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the group's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Shepherd and Woodward Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

Deferred corporation tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the Group. Deferred corporation tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold properties	Straight line over fifty years
Leasehold properties	Straight line over the life of the lease
Plant and machinery	25% straight line
Fixtures, fittings and equipment	25% straight line
Computer hardware	25% straight line
Motor vehicles	25% straight line

Investment property

Investment properties are included at fair value, the valuation of investment properties is considered annually. Any aggregate surplus or deficit is included as a movement through the profit or loss in the year, in line with FRS 102. No depreciation is provided in respect of the freehold investment property; the directors consider the accounting policy results in the accounts giving a true and fair view.

Amortisation

Asset class	Amortisation method and rate
Website	25% straight line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Shepherd and Woodward Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. A provision for the impairment of trade debtors is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stock is valued at the lower of cost and net realisable value. A provision is made against the value of certain stock which has been held for longer than 12 months. Provision is also made in respect of certain high fashion clothing and equipment due to their exceptional and rapid obsolescence.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are recognised at the transaction price.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Shepherd and Woodward Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

3 Revenue

The analysis of the group's Turnover for the year from continuing operations is as follows:

	2023 £	2022 £
Sale of goods	<u>3,882,277</u>	<u>2,746,068</u>

The analysis of the group's turnover for the year by market is as follows:

	2023 £	2022 £
UK	<u>3,882,277</u>	<u>2,746,068</u>

4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2023 £	2022 £
Rent receivable	361,419	413,965
Government grants receivable	17,182	223,010
Discounts received	21,205	9,591
Sundry income	<u>700</u>	<u>41</u>
	<u>400,506</u>	<u>646,607</u>

5 Operating profit

Arrived at after charging/(crediting)

	2023 £	2022 £
Depreciation expense	70,020	66,238
Amortisation expense	20,627	15,241
Operating lease expense	216,187	224,778
Loss on disposal of property, plant and equipment	<u>-</u>	<u>233</u>

6 Interest receivable and similar income

	2023 £	2022 £
Interest income on bank deposits	3,016	101
Other interest receivable	<u>6,476</u>	<u>6,892</u>
	<u>9,492</u>	<u>6,993</u>

Shepherd and Woodward Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

7 Interest payable and similar expenses

	2023	2022
	£	£
Interest on bank overdrafts and borrowings	2,607	5,742
Interest on preference shares	105	105
	<u>2,712</u>	<u>5,847</u>

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2023	2022
	£	£
Wages and salaries	1,219,678	967,705
Social security costs	92,968	68,758
Pension costs, defined contribution scheme	96,758	76,231
	<u>1,409,404</u>	<u>1,112,694</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2023	2022
	No.	No.
Average number of employees	47	41
	<u>47</u>	<u>41</u>

Shepherd and Woodward Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2023	2022
	£	£
Remuneration	274,845	130,965
Contributions paid to money purchase schemes	24,904	3,640
Directors' benefits	7,090	10,460
	<u>306,839</u>	<u>145,065</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2023	2022
	No.	No.
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>1</u>

In respect of the highest paid director:

	2023	2022
	£	£
Remuneration	<u>152,744</u>	<u>48,947</u>

Shepherd and Woodward Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

10 Taxation

Tax charged/(credited) in the consolidated profit and loss account

	2023 £	2022 £
Current taxation		
UK corporation tax	82,162	121,706
Deferred taxation		
Arising from origination and reversal of timing differences	-	222,000
Tax expense in the income statement	<u>82,162</u>	<u>343,706</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2022 - lower than the standard rate of corporation tax in the UK) of 19% (2022 - 19%).

The differences are reconciled below:

	2023 £	2022 £
Profit before tax	<u>429,618</u>	<u>879,640</u>
Corporation tax at standard rate	81,627	167,132
Effect of expense not deductible in determining taxable profit (tax loss)	1,297	-
Deferred tax expense relating to changes in tax rates or laws	-	222,000
Decrease from tax losses for which no deferred tax asset was recognised	(10,978)	(13,343)
Tax increase/(decrease) from effect of capital allowances and depreciation	9,950	(14,611)
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>266</u>	<u>(17,472)</u>
Total tax charge	<u>82,162</u>	<u>343,706</u>

Shepherd and Woodward Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

11 Intangible assets

Group

	Website £	Total £
Cost or valuation		
At 1 February 2022	71,462	71,462
Additions acquired separately	11,044	11,044
At 31 January 2023	82,506	82,506
Amortisation		
At 1 February 2022	18,485	18,485
Amortisation charge	20,627	20,627
At 31 January 2023	39,112	39,112
Carrying amount		
At 31 January 2023	43,394	43,394
At 31 January 2022	52,977	52,977

Company

	Website £	Total £
Cost or valuation		
At 1 February 2022	66,212	66,212
Additions	8,532	8,532
At 31 January 2023	74,744	74,744
Amortisation		
At 1 February 2022	18,485	18,485
Amortisation charge	18,686	18,686
At 31 January 2023	37,171	37,171
Carrying amount		
At 31 January 2023	37,573	37,573
At 31 January 2022	47,727	47,727

Shepherd and Woodward Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

12 Tangible assets

Group

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 February 2022	1,668,405	116,438	16,033	1,800,876
Additions	-	16,780	-	16,780
Disposals	-	(2,812)	-	(2,812)
At 31 January 2023	<u>1,668,405</u>	<u>130,406</u>	<u>16,033</u>	<u>1,814,844</u>
Depreciation				
At 1 February 2022	411,443	101,623	12,024	525,090
Charge for the year	50,005	16,006	4,009	70,020
Eliminated on disposal	-	(2,812)	-	(2,812)
At 31 January 2023	<u>461,448</u>	<u>114,817</u>	<u>16,033</u>	<u>592,298</u>
Carrying amount				
At 31 January 2023	<u>1,206,957</u>	<u>15,589</u>	<u>-</u>	<u>1,222,546</u>
At 31 January 2022	<u>1,256,962</u>	<u>14,815</u>	<u>4,009</u>	<u>1,275,786</u>

Included within the net book value of land and buildings above is £1 (2022 - £1) in respect of freehold land and buildings and £1,206,956 (2022 - £1,256,961) in respect of long leasehold land and buildings.

Revaluation

The fair value of the group's investment properties - freehold was revalued on 31 January 2022 by an independent valuer.

Had this class been measured on a historical cost basis, the carrying amount would have been £722,965 (2022 - £722,965).

The fair value of the group's investment properties - leasehold was revalued on 31 January 2022 by an independent valuer.

Had this class been measured on a historical cost basis, the carrying amount would have been £490,000 (2022 - £490,000).

The fair value of the group's operational land and buildings were revalued on 31 January 2022 by an independent valuer.

Had this class been measured on a historical cost basis, the carrying amount would have been £341,960 (2022 - £341,960).

Shepherd and Woodward Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

Company

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 February 2022	1,653,455	76,801	16,033	1,746,289
Additions	-	8,431	-	8,431
Disposals	-	(2,812)	-	(2,812)
At 31 January 2023	<u>1,653,455</u>	<u>82,420</u>	<u>16,033</u>	<u>1,751,908</u>
Depreciation				
At 1 February 2022	396,494	66,999	12,024	475,517
Charge for the year	50,005	9,383	4,009	63,397
Eliminated on disposal	-	(2,812)	-	(2,812)
At 31 January 2023	<u>446,499</u>	<u>73,570</u>	<u>16,033</u>	<u>536,102</u>
Carrying amount				
At 31 January 2023	<u>1,206,956</u>	<u>8,850</u>	<u>-</u>	<u>1,215,806</u>
At 31 January 2022	<u>1,256,961</u>	<u>9,802</u>	<u>4,009</u>	<u>1,270,772</u>

Included within the net book value of land and buildings above is £Nil (2022 - £Nil) in respect of freehold land and buildings and £1,206,956 (2022 - £1,256,961) in respect of long leasehold land and buildings.

13 Investment properties

Group

	2023 £
At 1 February	<u>4,020,000</u>
At 31 January	<u>4,020,000</u>

The fair value of the group's investment property was revalued on 31 January 2022 by an independent valuer. The basis of the valuation was fair value. This class of assets has a current value of £4,020,000 (2022: £4,020,000).

Company

	2023 £
At 1 February	<u>4,020,000</u>
At 31 January	<u>4,020,000</u>

Shepherd and Woodward Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

The fair value of the company's investment property was revalued on 31 January 2022 by an independent valuer. The basis of the valuation was fair value. This class of assets has a current value of £4,020,000 (2022: 4,020,000).

14 Investments

Company

	2023 £	2022 £
Investments in subsidiaries	<u>648,289</u>	<u>648,289</u>
Subsidiaries		£
Cost or valuation		
At 1 February 2022		<u>648,289</u>
Carrying amount		
At 31 January 2023		<u>648,289</u>
At 31 January 2022		<u>648,289</u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2023	2022
Subsidiary undertakings				
Walters & Co. (Oxford) Limited	10 Turl Street, Oxford, OX1 3DN United Kingdom		100%	100%
Castell & Son (Oxford) Limited	113 High Street High Street, Oxford, England, OX1 4BT United Kingdom		100%	100%

Subsidiary undertakings

Walters & Co. (Oxford) Limited

The principal activity of Walters & Co. (Oxford) Limited is the retail of clothing.

Castell & Son (Oxford) Limited

The principal activity of Castell & Son (Oxford) Limited is the retail of clothing.

Shepherd and Woodward Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

15 Stocks

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Finished goods and goods for resale	<u>778,568</u>	<u>564,914</u>	<u>489,586</u>	<u>315,362</u>

16 Debtors

		Group		Company	
	Note	2023	2022	2023	2022
		£	£	£	£
Trade debtors		40,293	73,096	40,293	69,703
Amounts owed by related parties	25	1,258,363	1,334,780	1,258,363	1,334,780
Prepayments		32,162	21,027	21,985	14,794
Other debtors		21,912	-	21,912	-
Income tax asset	10	<u>-</u>	<u>11,306</u>	<u>-</u>	<u>-</u>
Total current trade and other debtors		<u>1,352,730</u>	<u>1,440,209</u>	<u>1,342,553</u>	<u>1,419,277</u>

17 Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Cash at bank	<u>1,136,720</u>	<u>1,472,218</u>	<u>1,128,961</u>	<u>1,465,495</u>

18 Creditors

		Group		Company	
	Note	2023	2022	2023	2022
		£	£	£	£
Due within one year					
Loans and borrowings	22	-	50,000	-	50,000
Trade creditors		61,521	182,934	37,705	145,263
Amounts due to related parties	25	-	-	329,472	223,158
Social security and other taxes		125,306	117,247	118,517	113,929
Outstanding defined contribution pension costs		8,653	7,695	6,439	6,283
Other payables		56,756	29,195	7,309	29,195
Accrued expenses		145,101	268,168	131,065	196,414
Corporation tax liability	10	82,394	86,704	53,407	86,704
Deferred income		<u>7,340</u>	<u>8,992</u>	<u>-</u>	<u>-</u>
		<u>487,071</u>	<u>750,935</u>	<u>683,914</u>	<u>850,946</u>

Shepherd and Woodward Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

		Group		Company	
	Note	2023 £	2022 £	2023 £	2022 £
Due after one year					
Loans and borrowings	22	<u>3,000</u>	<u>173,833</u>	<u>3,000</u>	<u>173,833</u>

19 Deferred tax and other provisions

Group

	Deferred tax £
At 1 February 2022	<u>802,000</u>
At 31 January 2023	<u>802,000</u>

Company

	Deferred tax £
At 1 February 2022	<u>802,000</u>
At 31 January 2023	<u>802,000</u>

Deferred tax

Group

Deferred tax assets and liabilities

	Asset £	Liability £
2023		
Revaluation of properties	<u>-</u>	<u>706,000</u>
	<u>-</u>	<u>706,000</u>

	Asset £	Liability £
2022		
Revaluation of properties	<u>-</u>	<u>802,000</u>
	<u>-</u>	<u>802,000</u>

Company

Deferred tax assets and liabilities

	Asset £	Liability £
2023		
Revaluation of properties	<u>-</u>	<u>706,000</u>
	<u>-</u>	<u>706,000</u>

	Asset £	Liability £
2022		
Revaluation of properties	<u>-</u>	<u>802,000</u>
	<u>-</u>	<u>802,000</u>

Shepherd and Woodward Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

20 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £96,758 (2022 - £76,231).

Contributions totalling £8,653 (2022 - £7,695) were payable to the scheme at the end of the year and are included in creditors.

21 Share capital

Allotted, called up and fully paid shares

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	28,000	28,000	28,000	28,000
Preference shares of £1 each	3,000	3,000	3,000	3,000
	<u>31,000</u>	<u>31,000</u>	<u>31,000</u>	<u>31,000</u>

Redeemable preference shares

The Preference Shares are redeemable at the option of the holder. They are redeemable at £1 per share and carry no voting rights.

22 Loans and borrowings

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Non-current loans and borrowings				
Bank borrowings	-	170,833	-	170,833
Redeemable preference shares	3,000	3,000	3,000	3,000
	<u>3,000</u>	<u>173,833</u>	<u>3,000</u>	<u>173,833</u>

Shepherd and Woodward Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Current loans and borrowings				
Bank borrowings	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>

23 Obligations under leases and hire purchase contracts

Group

Operating leases

The total of future minimum lease payments is as follows:

	2023	2022
	£	£
Not later than one year	190,600	73,750
Later than one year and not later than five years	596,093	186,000
Later than five years	<u>40,042</u>	<u>86,542</u>
	<u>826,735</u>	<u>346,292</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £216,187 (2022 - £197,167).

24 Dividends

	2023	2022
	£	£
Interim dividend of £13.76 (2022 - £Nil) per ordinary share	<u>184,905</u>	<u>-</u>

Shepherd and Woodward Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

25 Related party transactions

Company

Summary of transactions with other related parties

Venables Properties Limited

(All the directors who are also shareholders of the company - are also directors and shareholders of Venables Properties Limited)

The company received loan repayments of £91,157 (2022: £92,144), interest payments of £6,474 (2022: £6,892) and advanced £8,264 (2022: £3,731) to Venables Properties Limited. At the balance sheet date the amount due from Venables Properties Limited was £1,258,361 (2022: £1,334,780).

The Directors

(The directors are also shareholders of the company)

The directors received dividends during the year totalling £184,905 (2022: £nil). At the balance sheet date the amount due to the directors was £nil (2022: £nil).

26 Undistributable profits

Included in the profit and loss balance are undistributable profits of £2,163,169 (2021: £2,163,169 relating to revalued investment properties).