

Boss Design Limited

Report and Financial Statements

Year Ended

31 March 2011

Company Number 01702024

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Boss Design Limited

Report and financial statements for the year ended 31 March 2011

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Directors

B S Murray
A M Watson
J M G Le Peltier
S J Bannister
M J Barrell
M J Holmes

Secretary and registered office

M M Murray, Boss Drive, New Road, Dudley, West Midlands, DY2 8SZ

Company number

01702024

Auditors

BDO LLP, 125 Colmore Row, Birmingham, B3 3SD

Boss Design Limited

Report of the directors for the year ended 31 March 2011

The directors present their report together with the audited financial statements for the year ended 31 March 2011

Results and dividends

The profit and loss account is set out on page 6 and shows the profit for the year

Principal activities, review of business and future developments

The company's principal activity is the manufacture and supply of modern contract seating and associated furniture to the commercial sector, ranging from offices and other commercial buildings to hotels and restaurants. The company sells directly to a number of large corporate clients worldwide as well as through a well established dealer base in the United Kingdom and Ireland. The company also licences design rights to certain products to other manufacturers in export markets. There have been no changes to the company's activities for the year under review.

On 31 March 2011 the company acquired the trade and assets of Komac Limited, a fellow subsidiary of Boseco Limited. The Komac brand and product range will continue to be a key feature of the company's product portfolio, and will be managed separately from the Boss Design and Lyndon brands within the Boss Design Group.

The directors use a number of key performance indicators to monitor the financial performance of the company, including sales, profitability, order intake, margin analysis, working capital levels and cash flow. The most important, being sales and profitability, are discussed below.

Following the difficult trading conditions experienced in 2009-10 as a result of the global economic crisis, the improvement in order intake experienced during the final quarter of that year continued into 2010-11 as the company's key clients resumed investment in retail branch refurbishment programmes and office renovation projects, and the company continued to attract new customers. Accordingly, turnover increased 42% to £21.71m, driven by increases from within the UK and European export markets. Order intake has continued to be strong in the first half of 2011-12, and the directors are cautiously optimistic that turnover in 2011-12 will be maintained at these levels.

Gross profit increased by £2.14m to £7.04m in line with the increase in turnover, although margins remain under pressure from competitor activity, increasing commodity prices and the continued relative weakness of sterling against the euro in particular. Administrative expenses increased by £0.99m as a result of the increased business activity levels and continued investment in new product development. The directors are satisfied with the overall business performance.

During the year, the company leased a new 72,000 sq ft manufacturing and storage facility, enabling the vacation of two existing leasehold buildings in order to improve productivity and provide a base for increased capacity. The new facility was occupied in April 2011, and benefits will be realised in 2011-12 and beyond. The company exhibited at trade shows in the UK, North America and Dubai, launching new products such as the Starr multipurpose high density stacking chair, Tokyo executive chair, Mars Leisure chair, Lily Mesh visitor chair and various new upholstery range additions. The company continued to expand its sales force, and to invest in its website and marketing activities to attract new customers, in particular utilising its strategically located showroom facility in London.

At 31 March the company had cash deposits of £2.18m. The company is therefore well positioned to withstand any adverse movements in the global economy, and will continue to consider strategic acquisitions and investments as opportunities arise.

Boss Design Limited

Report of the directors for the year ended 31 March 2011 (continued)

Principal risks and uncertainties

It is extremely difficult to assess how the markets in which the company operates will continue to be affected by the volatile global economic conditions. The public sector in particular is likely to be affected by government efforts to reduce the UK borrowing deficit. The company will continue to monitor macro economic conditions and specific market activity levels, and will seek to adjust its cost base and investment activities appropriately.

The market for contract seating is highly competitive, and is driven by the refurbishment of existing commercial facilities as well as the construction of new buildings. Order intake is uneven, and large projects need to be planned well in advance. The company manages the risk of losing customers to key competitors by maintaining strong relationships at all levels, allowing a real understanding of their operations and requirements, coupled with industry leading levels of customer service and quality, and products consistently developed to satisfy the customer's needs.

Environmental performance is a key factor in buying decisions as customers seek to manage and promote their own environmental policies. The company is committed to ensure that is at the forefront of minimising its impact upon the environment. The company's quality and environmental systems have received full IMS BS EN ISA 14001 2004, IMS OHSAS 18001 2007 and IMS BS EN ISO 9001 2000 accreditation. In addition, the company has developed a Corporate Social Responsibility policy focusing on the environment, society and sustainable business practices. The company was the first in its sector to receive FSC accreditation for timber sourced from sustainable sources, and is also fully accredited by the Furniture Industry Sustainability Programme. The company is Carbon Neutral certified, and has won several Green Apple awards. The company has been highly commended by the Institute of Mechanical Engineers for its work in sustainable development, won the Manufacturers Award for Sustainable Manufacturing, and gained ultimate recognition by being awarded The Queens Award for Enterprise for Sustainable Development.

Financial instruments

The company holds financial instruments to finance its operations and manages risks arising from these operations and its sources of finance in accordance with its accounting policies.

In addition, various financial instruments such as trade debtors and trade creditors arise directly from the company's operations. Credit risk is primarily attributable to the company's trade debtors, and is managed by performing status checks before extending credit to new customers, monitoring payment performance to contract terms, and insuring trade debts wherever possible.

Operations and working capital requirements are funded principally out of retained profits, short term banking facilities and a long term loan of £2,185,735 which was fully drawn down in May 2008. The loan is repayable over 25 years with the first five years payments being interest only and is secured against the freehold land and buildings of the company. Interest is charged at 1.03% above base rate. The company also has immediate access to an overdraft facility of £160,000 with interest charged at 2.0% above base rate, secured with a fixed and floating charge. None of the overdraft facility had been utilised as at the balance sheet date.

Directors

The directors of the company during the year were

B S Murray
A M Watson
J M G Le Peltier
S J Bannister
M J Barrell
M J Holmes

Boss Design Limited

Report of the directors for the year ended 31 March 2011 (continued)

Directors' responsibilities

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

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

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the board



B.S. Murray
Director

2/11/11

Boss Design Limited

Independent auditor's report

To the members of Boss Design Limited

We have audited the financial statements of Boss Design Limited for the year ended 31 March 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

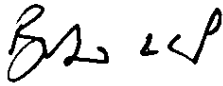
Boss Design Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

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

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



Stephen Ward (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Birmingham
United Kingdom

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

4 November 2011

Boss Design Limited

Profit and loss account for the year ended 31 March 2011

		Continuing operations			
	Note	2011	Acquisitions 2011	Total 2011	Total 2010
		£	£	£	£
Turnover	2	21,710,658	-	21,710,658	15,330,378
Cost of sales		14,669,561	-	14,669,561	10,427,432
		<hr/>	<hr/>	<hr/>	<hr/>
Gross profit		7,041,097	-	7,041,097	4,902,946
Administrative expenses		5,790,126	-	5,790,126	4,797,119
		<hr/>	<hr/>	<hr/>	<hr/>
		1,250,971	-	1,250,971	105,827
Other operating income		61,977	-	61,977	55,631
		<hr/>	<hr/>	<hr/>	<hr/>
Operating profit	3	1,312,948	-	1,312,948	161,458
Other interest receivable and similar income				4,987	4,835
Interest payable and similar charges	6			(38,419)	(47,134)
				<hr/>	<hr/>
Profit on ordinary activities before taxation				1,279,516	119,159
Taxation on profit on ordinary activities	7			387,025	40,286
				<hr/>	<hr/>
Profit on ordinary activities after taxation				892,491	78,873
				<hr/>	<hr/>

All amounts relate to continuing activities

All recognised gains and losses in the current and prior year are included in the profit and loss account

The notes on pages 8 to 21 form part of these financial statements

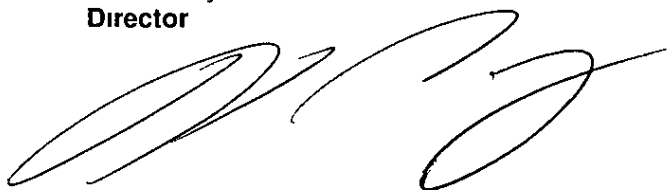
Boss Design Limited

Balance sheet at 31 March 2011

<i>Company number 01702024</i>	Note	2011 £	2011 £	2010 £	2010 £
Fixed assets					
Tangible assets	9		4,039,082		4,186,196
Current assets					
Stocks	10	3,489,699		1,858,839	
Debtors	11	5,324,924		2,347,609	
Cash at bank and in hand		2,182,874		2,254,331	
		<u>10,997,497</u>		<u>6,460,779</u>	
Creditors' amounts falling due within one year	12	<u>5,877,568</u>		<u>3,465,971</u>	
Net current assets			<u>5,119,929</u>		<u>2,994,808</u>
Total assets less current liabilities			<u>9,159,011</u>		<u>7,181,004</u>
Creditors: amounts falling due after more than one year	13	2,246,963		2,210,056	
Provisions for liabilities	14	-		31,326	
			<u>2,246,963</u>		<u>2,241,382</u>
			<u>6,912,048</u>		<u>4,939,622</u>
Capital and reserves					
Called up share capital	16		10,200		10,200
Profit and loss account	17		6,901,848		4,929,422
Shareholders' funds	18		<u>6,912,048</u>		<u>4,939,622</u>

The financial statements were approved by the board of directors and authorised for issue on *2 November 2011*

B S Murray
Director



The notes on pages 8 to 21 form part of these financial statements

Boss Design Limited

Notes forming part of the financial statements for the year ended 31 March 2011

1 Accounting policies

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

The following principal accounting policies have been applied

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Boseco Limited and the company is included in consolidated financial statements

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for freehold land, evenly over their expected useful lives. It is calculated at the following rates

Freehold property	- 2% on cost
Leasehold property	- 10% on cost
Plant and machinery	- 10 - 33% on cost
Motor vehicles	- 20% on cost
Tooling	- 20% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

Deferred taxation

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 the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

Boss Design Limited

Notes forming part of the financial statements for the year ended 31 March 2011 (continued)

1 Accounting policies (continued)

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

Other intangible fixed assets

Other intangible fixed assets are amortised on a straight line basis over the life of the asset.

2 Turnover

	2011 £	2010 £
Analysis by geographical market		
United Kingdom	15,618,585	10,642,161
Europe	1,905,194	804,386
USA	1,594,178	1,561,698
Middle East	1,423,873	1,581,973
Far East	257,965	114,467
Other	910,863	625,693
	<u>21,710,658</u>	<u>15,330,378</u>

Turnover is wholly attributable to the principal activity of the company.

Boss Design Limited

Notes forming part of the financial statements
for the year ended 31 March 2011 *(continued)*

3 Operating profit

	2011 £	2010 £
This is arrived at after charging		
Depreciation of tangible fixed assets	610,974	688,892
Hire of other assets - operating leases	358,364	356,277
Auditors' remuneration - fees payable to the company's auditor for the audit of the company's annual accounts	22,100	18,447
	<u> </u>	<u> </u>

4 Employees

Staff costs (including directors) consist of

	2011 £	2010 £
Wages and salaries	4,054,144	3,343,524
Social security costs	464,343	406,520
Other pension costs	66,498	63,125
	<u> </u>	<u> </u>
	4,584,985	3,813,169
	<u> </u>	<u> </u>

The average number of employees (including directors) during the year was as follows

	2011 Number	2010 Number
Sales	22	23
Administration	43	39
Production	80	80
	<u> </u>	<u> </u>
	145	142
	<u> </u>	<u> </u>

5 Directors' remuneration

	2011 £	2010 £
Directors' emoluments	758,819	602,143
Company contributions to money purchase pension schemes	17,625	15,400
	<u> </u>	<u> </u>

There were 5 directors in the company's defined contribution pension scheme during the year (2010 - 4)

The total amount payable to the highest paid director in respect of emoluments was £306,492 (2010 - £258,561) Company pension contributions of £Nil (2010 - £Nil) were made to a money purchase scheme on their behalf

Boss Design Limited

Notes forming part of the financial statements
for the year ended 31 March 2011 (*continued*)

6 Interest payable and similar charges

	2011 £	2010 £
Bank loans and overdrafts	34,153	34,784
Finance leases and hire purchase contracts	4,266	12,350
	<u>38,419</u>	<u>47,134</u>

7 Taxation on profit on ordinary activities

	2011 £	2010 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	407,350	127,368
Adjustment in respect of previous periods	(9,389)	(36,350)
	<u>397,961</u>	<u>91,018</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(16,891)	(74,691)
Adjustment in respect of previous periods	8,837	23,968
Short term timing differences	(13)	(9)
Effect of change in tax rate	(2,869)	-
	<u>(10,936)</u>	<u>(50,732)</u>
Movement in deferred tax provision		
	<u>387,025</u>	<u>40,286</u>

Boss Design Limited

Notes forming part of the financial statements for the year ended 31 March 2011 (continued)

7 Taxation on profit on ordinary activities (continued)

The tax assessed for the year is higher than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below.

	2011 £	2010 £
Profit on ordinary activities before tax	1,279,516	119,159
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2010 - 28%)	358,264	33,365
Effect of		
Expenses not deductible for tax purposes	30,882	20,046
Depreciation for period in excess of capital allowances	18,190	74,691
Adjustments in respect of previous years	(9,389)	(36,350)
Marginal relief	-	(743)
Other short term timing differences	14	9
Current tax charge for the year	397,961	91,018

8 Dividends

	2011 £	2010 £
Ordinary shares		
Interim paid of nil (2010 - £117.65) per share	-	1,200,000

Boss Design Limited

Note forming part of the financial statements
for the year ended 31 March 2011 (*continued*)

9 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Tooling £	Total £
<i>Cost or valuation</i>								
At 1 April 2010	2,246,344	1,203,105	1,334,307	938,811	-	-	1,498,138	7,220,705
Additions	-	60,358	12,283	148,590	-	-	238,928	460,159
Disposals	-	-	-	(224,738)	-	-	-	(224,738)
Transfers from group undertaking	-	209,775	255,033	27,500	32,281	2,250	-	526,839
At 31 March 2011	2,246,344	1,473,238	1,601,623	890,163	32,281	2,250	1,737,066	7,982,965
<i>Depreciation</i>								
At 1 April 2010	194,635	152,603	1,132,387	659,710	-	-	895,174	3,034,509
Provided for the year	38,927	120,585	91,140	131,088	-	-	229,234	610,974
Disposals	-	-	-	(194,921)	-	-	-	(194,921)
Transfers from group undertaking	-	209,775	230,745	22,916	27,635	2,250	-	493,321
At 31 March 2011	233,562	482,963	1,454,272	618,793	27,635	2,250	1,124,408	3,943,883
<i>Net book value</i>								
At 31 March 2011	2,012,782	990,275	147,351	271,370	4,646	-	612,658	4,039,082
At 31 March 2010	2,051,709	1,050,502	201,920	279,101	-	-	602,964	4,186,196

Boss Design Limited

Notes forming part of the financial statements for the year ended 31 March 2011 (*continued*)

9 Tangible fixed assets (*continued*)

The net book value of, and depreciation charge for the year on, tangible fixed assets includes assets held under finance leases and hire purchase contracts as follows

	2011 £	2010 £
<i>Net book value</i>		
Plant and machinery	8,942	15,979
Motor vehicles	186,014	196,114
	<u>194,956</u>	<u>212,093</u>
<i>Depreciation charged</i>		
Plant and machinery	15,445	7,035
Motor vehicles	25,831	68,504
	<u>41,276</u>	<u>75,539</u>

10 Stocks

	2011 £	2010 £
Raw materials and consumables	3,037,853	1,605,246
Work in progress	336,367	200,709
Finished goods and goods for resale	115,479	52,884
	<u>3,489,699</u>	<u>1,858,839</u>

There is no material difference between the replacement cost of stocks and the amounts stated above

11 Debtors

	2011 £	2010 £
Amounts receivable within one year		
Trade debtors	4,571,129	2,021,696
Amounts owed by group undertakings	269,294	-
Other debtors	-	4,758
Prepayments and accrued income	482,244	321,155
	<u>5,322,667</u>	<u>2,347,609</u>

Boss Design Limited

Notes forming part of the financial statements
for the year ended 31 March 2011 *(continued)*

11 Debtors *(continued)*

	2011 £	2010 £
Amounts receivable after more than one year		
Deferred taxation (see note 14)	2,257	-
	<hr/>	<hr/>
Total debtors	5,324,924	2,347,609
	<hr/>	<hr/>

12 Creditors' amounts falling due within one year

	2011 £	2010 £
Trade creditors	4,279,041	2,317,006
Amounts owed to group undertakings	-	142,784
Corporation tax	441,614	101,416
Other taxation and social security	505,927	277,082
Obligations under finance lease and hire purchase contracts	48,539	92,245
Directors' loans	-	51,684
Other creditors	119,960	81,537
Accruals and deferred income	482,487	402,217
	<hr/>	<hr/>
	5,877,568	3,465,971
	<hr/>	<hr/>

Boss Design Limited

Notes forming part of the financial statements
for the year ended 31 March 2011 (*continued*)

13 Creditors' amounts falling due after more than one year

	2011 £	2010 £
Bank loans (secured)	2,185,735	2,185,735
Obligations under finance lease and hire purchase contracts	61,228	24,321
	<u>2,246,963</u>	<u>2,210,056</u>

Maturity of debt

	Loans and overdrafts 2011 £	Loans and overdrafts 2010 £	Finance leases 2011 £	Finance leases 2010 £
In one year or less, or on demand	-	-	48,539	92,245
In more than one year but not more than two years	-	-	32,746	24,321
In more than two years but not more than five years	374,069	374,069	28,482	-
In more than five years	1,811,666	1,811,666	-	-
	<u>2,185,735</u>	<u>2,185,735</u>	<u>61,228</u>	<u>24,321</u>

Included in creditors due after more than one year are the following amounts repayable in more than five years

	2011 £	2010 £
Loans	<u>1,811,666</u>	<u>1,811,666</u>

The bank loan is repayable over a period of 25 years with the first 5 years payments being interest only
Interest is paid at 1.03% above base rate

The bank loan is secured by way of a charge over freehold land and buildings

Boss Design Limited

Notes forming part of the financial statements
for the year ended 31 March 2011 (*continued*)

14 Provisions for liabilities

	Deferred taxation £
At 1 April 2010	31,326
Credited to profit and loss account	(10,936)
Undertaking acquired	(22,647)
	<hr/>
	(2,257)
Transferred to debtors (see note 11)	2,257
	<hr/>
At 31 March 2011	-
	<hr/> <hr/>

Deferred taxation

	2011 £	2010 £
Accelerated capital allowances	805	34,017
Other timing differences	(3,062)	(2,691)
	<hr/>	<hr/>
	(2,257)	31,326
	<hr/> <hr/>	<hr/> <hr/>

15 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £66,498 (2010 - £63,125). Contributions amounting to £9,663 (2010 - £9,613) were payable to the fund and are included in creditors.

16 Share capital

	2011 £	2010 £
<i>Allotted, called up and fully paid</i>		
10,200 shares of £1 each	10,200	10,200
	<hr/> <hr/>	<hr/> <hr/>

Boss Design Limited

Notes forming part of the financial statements
for the year ended 31 March 2011 (*continued*)

17 Reserves

	Profit and loss account £
At 1 April 2010	4,929,422
Profit for the year	892,491
Elimination of intercompany balance	1,079,935
	<hr/>
At 31 March 2011	6,901,848
	<hr/>

18 Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Profit for the year	892,491	78,873
Dividends	-	(1,200,000)
	<hr/>	<hr/>
	892,491	(1,121,127)
Elimination of intercompany balance	1,079,935	-
	<hr/>	<hr/>
Net additions to/(deductions from) shareholders' funds	1,972,426	(1,121,127)
Opening shareholders' funds	4,939,622	6,060,749
	<hr/>	<hr/>
Closing shareholders' funds	6,912,048	4,939,622
	<hr/>	<hr/>

19 Contingent liabilities

At the year end Boss Design Limited guaranteed a loan in Bospro Limited up to a maximum value of £1,200,000 (2010 £1,200,000) At the year end the total outstanding liability in Bospro Limited was £1,206,800 (2010 £1,206,800)

Boss Design Limited

Notes forming part of the financial statements
for the year ended 31 March 2011 (*continued*)

20 Acquisitions

Acquisition of Komac Limited

The book and fair value of the net assets acquired from Komac Limited is as follows

	Book and fair value £
Fixed assets	
Tangible	33,518
Current assets	
Stocks	702,070
Debtors	1,065,575
Cash at bank and in hand	10,991
	<hr/>
Total assets	1,812,154
Creditors	
Due within one year	787,765
	<hr/>
Net assets	1,024,389
	<hr/>
	£
Cash consideration	1,024,389
Net assets acquired	1,024,389
	<hr/>
Goodwill arising on acquisition	-
	<hr/>

On 31 March 2011 the company acquired the trade and assets of Komac Limited, a fellow group subsidiary, which was settled through the group account

The profit after tax of Komac Limited from the beginning of its financial year to the date of acquisition was £112,430

The profit after tax of Komac Limited for the year ended 31 March 2010 was £293,332

Boss Design Limited

Notes forming part of the financial statements
for the year ended 31 March 2011 (*continued*)

21 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2011 £	Other 2011 £	Land and buildings 2010 £	Other 2010 £
Operating leases which expire				
Within one year	-	2,820	-	23,830
In two to five years	-	6,764	80,812	13,875
After five years	519,439	-	62,000	-
	<u>519,439</u>	<u>9,584</u>	<u>142,812</u>	<u>37,705</u>

22 Related party disclosures

Controlling parties

The company is controlled by Boseco Limited, the ultimate parent company, which in turn is under the control of B S Murray who owns 98% of the issued shares

The company is a wholly owned subsidiary of Boseco Limited and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with Boseco Limited or other wholly owned subsidiaries within the group

Transactions concerning directors and companies under common control

During the year, Boss Design Limited rented a building from B S Murray for an annual rent of £62,000 (2010 £62,000)

During the year, Boss Design Limited rented a London showroom from Bospro Limited at a nominal rent of £220,000 (2010 £220,000) At the year end, Boss Design Limited had amounts owed from Bospro Limited of £55,000 (2010 £4,758)

B S Murray is a shareholder and director of Bospro Limited

23 Ultimate parent company

The company is a subsidiary of Boseco Limited which is the ultimate parent company incorporated in England and Wales

The largest and smallest group in which the results of the company are consolidated is that headed by Boseco Limited, incorporated in England and Wales The consolidated accounts of this company are available to the public and may be obtained from Companies House No other group accounts include the results of the company

Boss Design Limited

Notes forming part of the financial statements
for the year ended 31 March 2011 (*continued*)

24 Capital commitments

	2011 £	2010 £
Contracted but not provided for	<u>149,894</u>	<u>146,397</u>