

**Boss Design Limited**

Report and Financial Statements

Year Ended

31 March 2013

Company Number 01702024

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# **Boss Design Limited**

## **Report and financial statements for the year ended 31 March 2013**

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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 2013**

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The directors present their report together with the audited financial statements for the year ended 31 March 2013

### **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. The company markets its products within the Boss Design Group under the Boss Design, Komac and Unifi brands alongside the Lyndon Design brand covering products manufactured by its sister company. There have been no changes to the company's activities for the year under review.

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

Trading conditions remain challenging, but the company was able to continue its growth by winning major contracts from new domestic customers during the year as well as maintaining strong relationships with existing customers globally. Accordingly, turnover increased by 5.0% versus 2012 to £29.5m.

Gross profit margin improved by 1.7% versus 2012 to 33.3% of turnover, due to increased productivity, improved sales mix and the benefit of sterling strength for the first 9 months for the period under review, although sterling depreciated significantly during the final quarter. Administrative expenses of £7.3m were held at the 2012 levels despite the increase in turnover assisted by reduced property costs as the company received the full benefit of its new 72,000 sq. ft. manufacturing facility.

Accordingly, the company was able to increase profit on ordinary activities before tax by 67.7% to £2.71m.

The improved trading performance for 2013 further strengthened an already robust balance sheet, with net assets increasing by £1.42m to £9.42m. Fixed assets fell by £0.3m as capital expenditure requirements declined without impacting on product development activity, although it is expected that capital expenditure will increase in 2014. Net current assets increased by £1.51m to £7.72m, including net cash of £5.0m, an increase of £1.74m vs 2012. Total net funds increased by £1.80m to £2.73m, and the company is well positioned to withstand any adverse movements in the global economy, and will continue to consider strategic acquisitions and investments as opportunities arise. The directors are satisfied with the overall business performance.

During the year, the company again exhibited at trade shows in the UK, USA and Europe to maximise opportunities for growth and launch new products. The company's product development process, key to future success, continued to enable new products to be launched in 2013, including the App and Vite task and visitor chairs, Optima upholstery, Cuba and Line table ranges, Cega soft office upholstery and the Vista range of office pods, key to supporting the transition towards new flexible ways of working in corporate office space. 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.

### **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.

# **Boss Design Limited**

## **Report of the directors for the year ended 31 March 2013 (continued)**

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### **Principal risks and uncertainties (continued)**

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 2008 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. Most recently, the company has been awarded the Manufacturing Guild Mark by The Furniture Makers Company, available to only the top 50 furniture manufacturers in the UK and seen by both retailers and distributors as a mark of distinction.

### **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 £200,000 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 2013 (*continued*)**

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### **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,
- 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 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**



S.J. Bannister  
Director

8 August 2013

# **Boss Design Limited**

## **Independent auditor's report**

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### **To the members of Boss Design Limited**

We have audited the financial statements of Boss Design Limited for the year ended 31 March 2013 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 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 Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

# Boss Design Limited

## Independent auditor's report (*continued*)

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### 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

*BDO LLP*

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)

*13 August 2013*

# Boss Design Limited

## Profit and loss account for the year ended 31 March 2013

|  | Note | 2013<br>£         | 2012<br>£   |
|--|------|-------------------|-------------|
| <b>Turnover</b>                                      | 2    | <b>29,457,421</b> | 28,058,016  |
| Cost of sales  |      | <b>19,633,945</b> | 19,182,624  |
|  |      | <hr/>             | <hr/>       |
| <b>Gross profit</b>                                  |      | <b>9,823,476</b>  | 8,875,392   |
| Administrative expenses                              |      | <b>7,325,874</b>  | 7,348,422   |
|  |      | <hr/>             | <hr/>       |
|  |      | <b>2,497,602</b>  | 1,526,970   |
| Other operating income                               |      | <b>237,823</b>    | 121,888     |
|  |      | <hr/>             | <hr/>       |
| <b>Operating profit</b>                              | 3    | <b>2,735,425</b>  | 1,648,858   |
| Other interest receivable and similar income         |      | <b>12,419</b>     | 7,014       |
| Interest payable and similar charges                 | 6    | <b>(42,098)</b>   | (43,153)    |
|  |      | <hr/>             | <hr/>       |
| <b>Profit on ordinary activities before taxation</b> |      | <b>2,705,746</b>  | 1,612,719   |
| Taxation on profit on ordinary activities            | 7    | <b>685,178</b>    | 526,875     |
|  |      | <hr/>             | <hr/>       |
| <b>Profit on ordinary activities after taxation</b>  |      | <b>2,020,568</b>  | 1,085,844   |
|  |      | <hr/> <hr/>       | <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 2013

| <i>Company number 01702024</i>                                 | <b>Note</b> | <b>2013<br/>£</b> | <b>2013<br/>£</b> | <b>2012<br/>£</b> | <b>2012<br/>£</b> |
|--|-------------|-------------------|-------------------|-------------------|-------------------|
| <b>Fixed assets</b>  |             |                   |                   |                   |                   |
| Intangible assets  | 9           |                   | <b>21,226</b>     |                   | 9,939             |
| Tangible assets  | 10          |                   | <b>3,820,358</b>  |                   | 4,131,016         |
|  |             |                   | <hr/>             |                   | <hr/>             |
|  |             |                   | <b>3,841,584</b>  |                   | 4,140,955         |
| <b>Current assets</b>  |             |                   |                   |                   |                   |
| Stocks   | 11          | <b>3,229,745</b>  |                   | 3,051,591         |                   |
| Debtors  | 12          | <b>5,151,355</b>  |                   | 4,961,822         |                   |
| Cash at bank and in hand                                       |             | <b>5,044,433</b>  |                   | 3,300,742         |                   |
|  |             | <hr/>             |                   | <hr/>             |                   |
|  |             | <b>13,425,533</b> |                   | 11,314,155        |                   |
| <b>Creditors, amounts falling due within one year</b>          | 13          | <b>5,709,945</b>  |                   | 5,109,761         |                   |
|  |             | <hr/>             |                   | <hr/>             |                   |
| <b>Net current assets</b>                                      |             |                   | <b>7,715,588</b>  |                   | 6,204,394         |
|  |             |                   | <hr/>             |                   | <hr/>             |
| <b>Total assets less current liabilities</b>                   |             |                   | <b>11,557,172</b> |                   | 10,345,349        |
| <b>Creditors' amounts falling due after more than one year</b> | 14          | <b>2,131,784</b>  |                   | 2,294,173         |                   |
| <b>Provisions for liabilities</b>                              | 15          | <b>6,928</b>      |                   | 53,284            |                   |
|  |             | <hr/>             |                   | <hr/>             |                   |
|  |             |                   | <b>2,138,712</b>  |                   | 2,347,457         |
|  |             |                   | <hr/>             |                   | <hr/>             |
|  |             |                   | <b>9,418,460</b>  |                   | 7,997,892         |
|  |             |                   | <hr/>             |                   | <hr/>             |
| <b>Capital and reserves</b>                                    |             |                   |                   |                   |                   |
| Called up share capital  | 17          |                   | <b>10,200</b>     |                   | 10,200            |
| Profit and loss account  | 18          |                   | <b>9,408,260</b>  |                   | 7,987,692         |
|  |             |                   | <hr/>             |                   | <hr/>             |
| <b>Shareholders' funds</b>                                     | 19          |                   | <b>9,418,460</b>  |                   | 7,997,892         |
|  |             |                   | <hr/>             |                   | <hr/>             |

The financial statements were approved by the board of directors and authorised for issue on **8 August 2013**



**S J Bannister**  
**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 2013

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### 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 2013 (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

|                                 | 2013<br>£         | 2012<br>£         |
|---------------------------------|-------------------|-------------------|
| Analysis by geographical market |                   |                   |
| United Kingdom                  | 22,804,097        | 20,536,652        |
| Europe                          | 1,602,591         | 2,331,127         |
| USA                             | 1,716,199         | 2,210,069         |
| Middle East                     | 2,213,056         | 1,658,420         |
| Far East                        | 209,162           | 418,464           |
| Other                           | 912,316           | 903,284           |
|                                 | <b>29,457,421</b> | <b>28,058,016</b> |

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 2013 (*continued*)

## 3 Operating profit

|  | 2013<br>£      | 2012<br>£      |
|--|----------------|----------------|
| This is arrived at after charging  |                |                |
| Depreciation of tangible fixed assets  | 632,249        | 640,472        |
| Amortisation of other intangible fixed assets  | 5,521          | 3,823          |
| Hire of other assets - operating leases  | 458,695        | 572,944        |
| Fees payable to the company's auditor or an associate of the company's auditor for the auditing of the company's annual accounts | 26,840         | 24,500         |
|  | <u>632,249</u> | <u>640,472</u> |

## 4 Employees

Staff costs (including directors) consist of

|                       | 2013<br>£        | 2012<br>£        |
|-----------------------|------------------|------------------|
| Wages and salaries    | 5,745,877        | 5,664,593        |
| Social security costs | 570,627          | 580,262          |
| Other pension costs   | 85,481           | 87,163           |
|                       | <u>6,401,985</u> | <u>6,332,018</u> |

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

|                | 2013<br>Number | 2012<br>Number |
|----------------|----------------|----------------|
| Sales          | 30             | 25             |
| Administration | 44             | 47             |
| Production     | 129            | 131            |
|                | <u>203</u>     | <u>203</u>     |

# Boss Design Limited

Notes forming part of the financial statements  
for the year ended 31 March 2013 (*continued*)

## 5 Directors' remuneration

|   | 2013<br>£      | 2012<br>£      |
|---|----------------|----------------|
| Directors' emoluments                                   | 739,049        | 712,799        |
| Company contributions to money purchase pension schemes | 22,733         | 18,150         |
|   | <u>761,782</u> | <u>730,949</u> |

There were 5 directors in the company's defined contribution pension scheme during the year (2012 - 5)

The total amount payable to the highest paid director in respect of emoluments was £218,223 (2012 - £231,675)

## 6 Interest payable and similar charges

|  | 2013<br>£     | 2012<br>£     |
|--|---------------|---------------|
| Bank loans and overdrafts                  | 34,087        | 35,389        |
| Finance leases and hire purchase contracts | 8,011         | 7,764         |
|  | <u>42,098</u> | <u>43,153</u> |

# Boss Design Limited

## Notes forming part of the financial statements for the year ended 31 March 2013 (*continued*)

### 7 Taxation on profit on ordinary activities

|  | 2013<br>£   | 2012<br>£   |
|--|-------------|-------------|
| <i>UK Corporation tax</i>                      |             |             |
| Current tax on profits of the year             | 731,559     | 472,211     |
| Adjustment in respect of previous periods      | (25)        | (877)       |
|  | <hr/>       | <hr/>       |
| Total current tax                              | 731,534     | 471,334     |
|  | <hr/>       | <hr/>       |
| <i>Deferred tax</i>                            |             |             |
| Origination and reversal of timing differences | (44,201)    | 55,367      |
| Effect of change in tax rate                   | (2,155)     | 174         |
|  | <hr/>       | <hr/>       |
| Movement in deferred tax provision             | (46,356)    | 55,541      |
|  | <hr/>       | <hr/>       |
| Taxation on profit on ordinary activities      | 685,178     | 526,875     |
|  | <hr/> <hr/> | <hr/> <hr/> |

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.

|   | 2013<br>£   | 2012<br>£   |
|---|-------------|-------------|
| Profit on ordinary activities before tax  | 2,705,746   | 1,612,719   |
|   | <hr/>       | <hr/>       |
| Profit on ordinary activities at the standard rate of corporation tax in the UK of 24% (2012 - 26%) | 649,379     | 419,307     |
| Effect of   |             |             |
| Expenses not deductible for tax purposes  | 36,037      | 112,997     |
| Depreciation for period in excess/(deficit) of capital allowances                                   | 45,596      | (60,347)    |
| Adjustments in respect of previous years  | (25)        | (877)       |
| Other short term timing differences   | 526         | 254         |
| Overprovision of current tax in the current period  | 21          | -           |
|   | <hr/>       | <hr/>       |
| Current tax charge for the year   | 731,534     | 471,334     |
|   | <hr/> <hr/> | <hr/> <hr/> |

#### *Factors that may affect future tax charges*

The Chancellor's statement on 5 December 2012 announced that the UK corporation tax rate will reduce to 21% by 1 April 2014. The 2012 budget reduced the corporation tax rate to 23% to apply from 1 April 2013. This was substantively enacted on 26 March 2012. This will reduce the company's current tax charge accordingly.

# Boss Design Limited

## Notes forming part of the financial statements for the year ended 31 March 2013 (*continued*)

### 8 Dividends

|  | 2013<br>£ | 2012<br>£ |
|--|-----------|-----------|
| Ordinary shares                                |           |           |
| Interim paid of £58.82 (2012 - £Nil) per share | 600,000   | -         |

### 9 Intangible fixed assets

|                          | Licences<br>£ |
|--------------------------|---------------|
| <i>Cost or valuation</i> |               |
| At 1 April 2012          | 50,299        |
| Additions                | 16,808        |
|                          | <hr/>         |
| At 31 March 2013         | 67,107        |
|                          | <hr/>         |
| <i>Amortisation</i>      |               |
| At 1 April 2012          | 40,360        |
| Provided for the year    | 5,521         |
|                          | <hr/>         |
| At 31 March 2013         | 45,881        |
|                          | <hr/>         |
| <i>Net book value</i>    |               |
| At 31 March 2013         | 21,226        |
|                          | <hr/>         |
| At 31 March 2012         | 9,939         |
|                          | <hr/>         |

# **Boss Design Limited**

Note forming part of the financial statements  
for the year ended 31 March 2013 (*continued*)

## **10 Tangible fixed assets**

|                          | Freehold land<br>and buildings<br>£ | Leasehold<br>land and<br>buildings<br>£ | Plant and<br>machinery<br>£ | Motor<br>vehicles<br>£ | Tooling<br>£     | Total<br>£       |
|--------------------------|-------------------------------------|---|-----------------------------|------------------------|------------------|------------------|
| <i>Cost or valuation</i> |                                     |   |                             |                        |                  |                  |
| At 1 April 2012          | 2,246,344                           | 1,646,237                               | 1,726,818                   | 1,047,357              | 1,900,718        | 8,567,474        |
| Additions                | -                                   | 4,901                                   | 69,049                      | 88,167                 | 161,049          | 323,166          |
| Disposals                | -                                   | -                                       | -                           | (147,266)              | -                | (147,266)        |
| At 31 March 2013         | <b>2,246,344</b>                    | <b>1,651,138</b>                        | <b>1,795,867</b>            | <b>988,258</b>         | <b>2,061,767</b> | <b>8,743,374</b> |
| <i>Depreciation</i>      |                                     |   |                             |                        |                  |                  |
| At 1 April 2012          | 272,489                             | 621,588                                 | 1,549,464                   | 597,945                | 1,394,972        | 4,436,458        |
| Provided for the year    | 38,927                              | 144,055                                 | 85,836                      | 133,657                | 229,774          | 632,249          |
| Disposals                | -                                   | -                                       | -                           | (145,691)              | -                | (145,691)        |
| At 31 March 2013         | <b>311,416</b>                      | <b>765,643</b>                          | <b>1,635,300</b>            | <b>585,911</b>         | <b>1,624,746</b> | <b>4,923,016</b> |
| <i>Net book value</i>    |                                     |   |                             |                        |                  |                  |
| At 31 March 2013         | <b>1,934,928</b>                    | <b>885,495</b>                          | <b>160,567</b>              | <b>402,347</b>         | <b>437,021</b>   | <b>3,820,358</b> |
| At 31 March 2012         | <b>1,973,855</b>                    | <b>1,024,649</b>                        | <b>177,354</b>              | <b>449,412</b>         | <b>505,746</b>   | <b>4,131,016</b> |



# Boss Design Limited

## Notes forming part of the financial statements for the year ended 31 March 2013 (continued)

### 10 Tangible fixed assets (continued)

Included within freehold land and buildings is £300,000 of freehold land which is not subject to depreciation

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

|                             | 2013<br>£      | 2012<br>£      |
|-----------------------------|----------------|----------------|
| <i>Net book value</i>       |                |                |
| Plant and machinery         | -              | 4,065          |
| Motor vehicles              | 203,749        | 210,399        |
|                             | <u>203,749</u> | <u>214,464</u> |
| <i>Depreciation charged</i> |                |                |
| Plant and machinery         | 4,065          | 4,877          |
| Motor vehicles              | 55,015         | 34,663         |
|                             | <u>59,080</u>  | <u>39,540</u>  |

### 11 Stocks

|                                     | 2013<br>£        | 2012<br>£        |
|-------------------------------------|------------------|------------------|
| Raw materials and consumables       | 2,504,694        | 2,620,008        |
| Work in progress                    | 508,358          | 249,513          |
| Finished goods and goods for resale | 216,693          | 182,070          |
|                                     | <u>3,229,745</u> | <u>3,051,591</u> |

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

# Boss Design Limited

Notes forming part of the financial statements  
for the year ended 31 March 2013 (*continued*)

## 12 Debtors

|                                    | 2013<br>£        | 2012<br>£        |
|------------------------------------|------------------|------------------|
| Trade debtors                      | 3,927,615        | 4,081,057        |
| Amounts owed by group undertakings | -                | 269,260          |
| Other debtors                      | 550,000          | -                |
| Prepayments and accrued income     | 673,740          | 611,505          |
|                                    | <u>5,151,355</u> | <u>4,961,822</u> |

All amounts shown under debtors fall due for payment within one year

## 13 Creditors: amounts falling due within one year

|   | 2013<br>£        | 2012<br>£        |
|---|------------------|------------------|
| Bank loans and overdrafts (secured)                         | 94,164           | -                |
| Trade creditors   | 3,740,491        | 3,393,862        |
| Corporation tax   | 450,759          | 245,065          |
| Other taxation and social security                          | 642,701          | 621,357          |
| Obligations under finance lease and hire purchase contracts | 91,456           | 83,322           |
| Other creditors   | 254,939          | 168,755          |
| Accruals and deferred income                                | 435,435          | 597,400          |
|   | <u>5,709,945</u> | <u>5,109,761</u> |

# Boss Design Limited

Notes forming part of the financial statements  
for the year ended 31 March 2013 (continued)

## 14 Creditors amounts falling due after more than one year

|   | 2013<br>£        | 2012<br>£        |
|---|------------------|------------------|
| Bank loans (secured)  | 2,091,571        | 2,185,735        |
| Obligations under finance lease and hire purchase contracts | 40,213           | 108,438          |
|   | <u>2,131,784</u> | <u>2,294,173</u> |

### Maturity of debt

|  | Loans and<br>overdrafts<br>2013<br>£ | Loans and<br>overdrafts<br>2012<br>£ | Finance<br>leases<br>2013<br>£ | Finance<br>leases<br>2012<br>£ |
|--|--------------------------------------|--------------------------------------|--------------------------------|--------------------------------|
| In one year or less, or on demand                      | <u>94,164</u>                        | <u>-</u>                             | <u>91,456</u>                  | <u>83,322</u>                  |
| In more than one year but not more than<br>two years   | 95,611                               | 187,034                              | 33,709                         | 84,034                         |
| In more than two years but not more than<br>five years | 295,754                              | 561,103                              | 6,504                          | 24,404                         |
| In more than five years                                | <u>1,700,206</u>                     | <u>1,437,598</u>                     | <u>-</u>                       | <u>-</u>                       |
|  | <u>2,091,571</u>                     | <u>2,185,735</u>                     | <u>40,213</u>                  | <u>108,438</u>                 |

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

|       | 2013<br>£        | 2012<br>£        |
|-------|------------------|------------------|
| Loans | <u>1,700,206</u> | <u>1,437,598</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 2013 (*continued*)

## 15 Provisions for liabilities

|                                     | Deferred<br>taxation<br>£ |
|-------------------------------------|---------------------------|
| At 1 April 2012                     | 53,284                    |
| Credited to profit and loss account | (44,201)                  |
| Effect of change in tax rate        | (2,155)                   |
|                                     | <hr/>                     |
| At 31 March 2013                    | <b>6,928</b>              |
|                                     | <hr/>                     |

### *Deferred taxation*

|                                | 2013<br>£    | 2012<br>£ |
|--------------------------------|--------------|-----------|
| Accelerated capital allowances | 10,365       | 56,345    |
| Other timing differences       | (3,437)      | (3,061)   |
|                                | <hr/>        | <hr/>     |
|                                | <b>6,928</b> | 53,284    |
|                                | <hr/>        | <hr/>     |

## 16 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 £85,481 (2012 - £87,163). Contributions amounting to £14,950 (2012 - £12,757) were payable to the fund and are included in creditors.

## 17 Share capital

|   | 2013<br>£     | 2012<br>£ |
|---|---------------|-----------|
| <i>Allotted, called up and fully paid</i> |               |           |
| 10,200 Ordinary shares of £1 each         | <b>10,200</b> | 10,200    |
|   | <hr/>         | <hr/>     |

# Boss Design Limited

Notes forming part of the financial statements  
for the year ended 31 March 2013 (*continued*)

## 18 Reserves

|                     | Profit and<br>loss account<br>£ |
|---------------------|---------------------------------|
| At 1 April 2012     | 7,987,692                       |
| Profit for the year | 2,020,568                       |
| Dividends           | (600,000)                       |
|                     | <hr/>                           |
| At 31 March 2013    | <b>9,408,260</b>                |
|                     | <hr/>                           |

## 19 Reconciliation of movements in shareholders' funds

|                                      | 2013<br>£        | 2012<br>£ |
|--------------------------------------|------------------|-----------|
| Profit for the year                  | <b>2,020,568</b> | 1,085,844 |
| Dividends                            | <b>(600,000)</b> | -         |
|                                      | <hr/>            | <hr/>     |
| Net additions to shareholders' funds | <b>1,420,568</b> | 1,085,844 |
| Opening shareholders' funds          | <b>7,997,892</b> | 6,912,048 |
|                                      | <hr/>            | <hr/>     |
| Closing shareholders' funds          | <b>9,418,460</b> | 7,997,892 |
|                                      | <hr/>            | <hr/>     |

## 20 Contingent liabilities

At the year end Boss Design Limited guaranteed a loan in Bospro Limited up to a maximum value of £1,200,000 (2012 £1,200,000) At the year end the total outstanding liability in Bospro Limited was £1,206,800 (2012 £1,206,800)

# Boss Design Limited

## Notes forming part of the financial statements for the year ended 31 March 2013 (continued)

### 21 Commitments under operating leases

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

|                               | Land and<br>buildings<br>2013<br>£ | Other<br>2013<br>£ | Land and<br>buildings<br>2012<br>£ | Other<br>2012<br>£ |
|-------------------------------|------------------------------------|--------------------|------------------------------------|--------------------|
| Operating leases which expire |                                    |                    |                                    |                    |
| Within one year               | -                                  | 10,799             | -                                  | 8,168              |
| In two to five years          | -                                  | 35,471             | -                                  | 37,269             |
| After five years              | 519,439                            | -                  | 519,439                            | -                  |
|                               | <u>519,439</u>                     | <u>46,270</u>      | <u>519,439</u>                     | <u>45,437</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 93% 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 (2012 £62,000)

During the year, Boss Design Limited rented a London showroom from Bospro Limited at a nominal rent of £220,000 (2012 £220,000)

During the year, Boss Design Limited provided an interest free loan to Bospro Limited. The outstanding balance due from Bospro Limited at the year end is £550,000 (2012 £Nil)

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 2013 (*continued*)

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## 24 Capital commitments

|                                 | 2013<br>£     | 2012<br>£      |
|---------------------------------|---------------|----------------|
| Contracted but not provided for | <u>96,194</u> | <u>147,352</u> |