

COMPANIES HOUSE COPY

Boss Design Limited

Report and Financial Statements

Year Ended

31 March 2016

Company Number 01702024

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Boss Design Limited

**Report and financial statements
for the year ended 31 March 2016**

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Directors

B S Murray
A M Watson
S J Bannister
M J Barrell
M J Holmes
O J Ronald

Secretary and registered office

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

Company number

01702024

Auditors

BDO LLP, Two Snowhill, Birmingham, B4 6GA

Boss Design Limited

Strategic report for the year ended 31 March 2016

The directors present their strategic report for the year ended 31 March 2016.

Principal activities, review of business and future developments

The company's principal activity is the manufacture and supply of 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 of certain products to other manufacturers in defined export markets. The company also 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 turnover, profitability, margin analysis, working capital levels and cash flow. These are discussed below.

Turnover in the year increased by £7.87m (25.3%) to £38.95m, a record performance. The UK economy remained strong throughout the year, confidence within the service sector in particular encouraging existing corporate clients to commence large scale refurbishment programmes particularly benefitting the second quarter onwards. Dealer sales also remained strong, as the Company continued to provide the comprehensive product portfolio and service levels necessary to support its chosen partners. The ability to provide bespoke furniture solutions to client requirements also allowed the Company to attract new corporate accounts and win major prestigious refurbishment projects such as the supply of conference seating and tables to the QEII Centre in London. As a result, UK turnover grew by £5.56m (22.6%) to £30.18m, and represented 77.5% of total turnover (2015: 79.2%). Export turnover rose by £2.32m (35.9%) to £8.77m as sales of Boss products into the USA began to grow following the Group's acquisition of Jack Cartwright, Inc. in the previous year, and contracts for refurbishment programmes worldwide were confirmed.

Gross profit increased by 2.32m (22.7%) largely as a result of the increased turnover levels. The percentage rate fell slightly, mainly due to product mix offset by improved favourable currency variances due to the strength of sterling in the first three quarters. Administrative expenses rose by £1.22m (15.8%), constrained below the rate of turnover and gross profit increases and largely due to increased employment costs as the Company recruited to generate and service new sales opportunities.

As a result, the Company was able to report a profit before tax of £3.71m (2015: £2.59m) – an increase of 43%, and representing 9.5% of turnover.

Financial strength and stability remains a key consideration in tender responses and the winning of new contracts and clients. The Company's balance sheet remains strong, with net assets of £8.81m (2015: £8.73m). Fixed assets reduced by £0.1m to £3.75m as investment needs during the year were less than the depreciation charge, significant tooling expenditure having been incurred during the previous year. Net current assets totalled £7.04m (2015: £6.93m), stocks, debtors and creditors all increasing reflecting the higher level of activity versus the previous year. The Company remains ungeared, with net funds of £1.4m including cash deposits of £3.39m. This will enable the company to continue to fund significant product development and take advantage of further investment and acquisition opportunities as they arise. The directors are satisfied with the overall business performance.

The Company continued to market its products effectively during the year, attending The Milan Furniture Fair in April 2015, the June 2015 and 2016 NeoCon exhibitions in Chicago utilising its own showroom premises for the first time, and conducting product launches at Clerkenwell Design Week, 100% Design and the London Design Festival. Following on from their preview at Milan, the Coza and Trinetic chairs have been fully launched to market, and market reaction has been extremely positive.

Boss Design Limited

Strategic report *(continued)*
for the year ended 31 March 2016

Principal activities, review of business and future developments *(continued)*

As office environments continue to evolve, product development to meet changing market needs is a key factor for future success. The Company continued to invest heavily in new products, with the Boss Design brand benefitting from the launch of the Alexa and Marnie breakout and upholstered ranges and the extension of the Unifi Pod offer. The Komac brand featured the new Myriad and Raft+ modular furniture systems, plus the Snug acoustic work booth systems. All of the above will allow offices to function more efficiently and effectively in today's fast moving corporate workplace.

The office furniture markets remain extremely competitive, with strong domestic and international competitors striving to maintain and increase market share. Despite this, the Company has continued to grow via its strong levels of customer service and innovation. The impact of the Brexit referendum, particularly on margins due to the fall in the strength of sterling and the uncertain trading conditions leading up to the vote will inevitably impact upon results in 2017. However, the Company is financially strong and well placed to take advantage of opportunities to continue to increase its market share.

Principal risks and uncertainties

It is extremely difficult to assess how the markets in which the company operates will perform, particularly given the uncertainty created by the Brexit referendum result and its impact upon currency exchange rates and business confidence, and continuing volatility in global economic conditions. Competitor activity to increase market share will also continue to put pressure on margins. 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 9001:2008 accreditation. In addition, the company has developed a Corporate Social Responsibility policy focusing on the environment, society and sustainable business practices. We work closely with 3 independent charities, Big Bright Future (waste to wonder), Community Arts Resource Store and Worcestershire Resource Exchange helping to sustain their independence and extending the life cycle of redundant office furniture by benefiting various charities, faith centres local and global schools and start-up businesses. We are in our 9th year of sponsoring the wind turbine at the Dudley Environmental Zone which sees thousands of student educated on the worlds environmental conditions. 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 awards for sustainable manufacturing including more recently a NRA award for Corporate Recycler of the Year and an MGM Export award. The company is accredited with a Manufacturing Guild Mark by The Furniture Makers Company.

By order of the board



S J Bannister
Director

24 NOVEMBER 2016

Boss Design Limited

Report of the directors for the year ended 31 March 2016

The directors present their report together with the audited financial statements for the year ended 31 March 2016.

Results and dividends

The statement of comprehensive income is set out on page 7 and shows the profit for the year.

Interim dividends of £286.62 (2015: £255.31) per share were paid to ordinary shareholders during the year. The directors do not recommend the payment of a final dividend.

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 balance outstanding at the end of the period was £1,899,086. 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 and up to the date of approval were:

B S Murray
A M Watson
S J Bannister
M J Barrell
M J Holmes
O J Ronald (appointed 1 September 2015)

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.

By order of the board



S J Bannister
Director

24 November 2016

Boss Design Limited

Statement of directors' responsibilities

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the company 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.

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 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity 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 Financial Reporting Council's (FRC'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 FRC's website at 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 2016 and 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 matters prescribed by the Companies Act 2006

In our opinion 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.

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 by company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.




Thomas Lawton (*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).

Boss Design Limited

Statement of comprehensive income for the year ended 31 March 2016

	Note	2016 £	2015 £
Turnover	3	38,946,233	31,076,571
Cost of sales		26,431,251	20,879,992
Gross profit		12,514,982	10,196,579
Administrative expenses		8,907,695	7,692,010
		3,607,287	2,504,569
Other operating income		131,892	107,328
Operating profit	4	3,739,179	2,611,897
Other interest receivable and similar income		8,987	14,314
Interest payable and similar charges	7	(33,611)	(32,032)
Profit on ordinary activities before taxation		3,714,555	2,594,179
Taxation on loss on ordinary activities	8	709,417	592,267
Profit on ordinary activities after taxation		3,005,138	2,001,912
Other comprehensive income for the year		-	-
Total comprehensive income for the year		3,005,138	2,001,912

The notes on pages 10 to 23 form part of these financial statements.

Boss Design Limited

Balance sheet at 31 March 2016

<i>Company number 01702024</i>	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Intangible assets	10		12,165		24,944
Tangible assets	11		3,733,039		3,808,723
			3,745,204		3,833,677
Current assets					
Stocks	12	2,982,891		2,250,262	
Debtors	13	8,416,329		6,566,525	
Cash at bank and in hand		3,392,213		3,892,809	
		14,791,433		12,709,596	
Creditors: amounts falling due within one year	14	7,772,226		5,778,983	
Net current assets			7,019,207		6,930,613
Total assets less current liabilities			10,764,411		10,764,280
Creditors: amounts falling due after more than one year	15	1,854,531		1,959,583	
Provision for liabilities	16	99,089		75,553	
			1,953,620		2,035,136
Net assets			8,810,791		8,729,144
Capital and reserves					
Called up share capital	17	10,200		10,200	
Profit and loss account		8,800,591		8,718,944	
Shareholders' funds			8,810,791		8,729,144

The financial statements were approved by the board of directors and authorised for issue on **24 November 2016**


S J Bannister
Director

The notes on pages 10 to 23 form part of these financial statements.

Boss Design Limited
Statement of changes in equity
for the year ended 31 March 2016

	Share capital £	Retained earnings £	Total equity £
At 1 April 2015	10,200	8,718,944	8,729,144
Profit for the year	-	3,005,138	3,005,138
Total comprehensive income	-	3,005,138	3,005,138
Dividends paid	-	(2,923,491)	(2,923,491)
Total transactions with owners	-	(2,923,491)	(2,923,491)
At 31 March 2016	10,200	8,800,591	8,810,791

Statement of changes in equity
for the year ended 31 March 2015

	Share capital £	Retained earnings £	Total equity £
At 1 April 2014	10,200	9,321,192	9,331,392
Profit for the year	-	2,001,912	2,001,912
Total comprehensive income	-	2,001,912	2,001,912
Dividends paid	-	(2,604,160)	(2,604,160)
Total transactions with owners	-	(2,604,160)	(2,604,160)
At 31 March 2015	10,200	8,718,944	8,729,144

The purpose of each reserve within equity is as follows:

Share capital	The nominal value of allotted and fully paid up ordinary share capital
Retained earnings	Cumulative net gains and losses recognised in the statement of comprehensive income

The notes on pages 10 to 23 form part of these financial statements.

Boss Design Limited

Notes forming part of the financial statements for the year ended 31 March 2016

1 Accounting policies

Boss Design Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given in the contents page and the nature of the company's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland; under the historical cost convention and in accordance with the Companies Act 2006.

FRS 102 is mandatory for accounting periods beginning on or after 1 January 2015. Information on the impact of first-time adoption of FRS 102 is given in note 23.

In preparing the financial statements, advantage has been taken of the following disclosure exemptions available within FRS 102:

- Certain financial instrument disclosures have not been presented
- Related party transactions with group companies have not been presented
- Statement of cash flows has not been presented

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires company management to exercise judgement in applying the company's accounting policies as explained in note 2.

The accounts have been prepared in the company's functional currency, pounds sterling.

The following principal accounting policies have been consistently applied:

Revenue

Revenue from the sale of goods is recognised when the company has transferred the significant risks and rewards of ownership to the buyer and it is probable that the company will receive the previously agreed upon payment. Revenue is shown net of sales taxes and discounts.

Tangible fixed assets

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

Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Freehold property	- 2% per annum straight line
Leasehold property	- 10% per annum straight line
Plant and machinery	- 10-33% per annum straight line
Motor vehicles	- 20% per annum straight line
Tooling	- 20% per annum straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'administrative expenses' in the statement of comprehensive income.

Boss Design Limited

Notes forming part of the financial statements for the year ended 31 March 2016 (*continued*)

1 Accounting policies (*continued*)

Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Stocks

Stocks are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

Work in progress and finished goods are valued on the basis of direct costs based on normal levels of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

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 statement of comprehensive income 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 statement of comprehensive income on a straight-line basis over the term of the lease.

Pension costs

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

Current and deferred taxation

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 or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Boss Design Limited

Notes forming part of the financial statements for the year ended 31 March 2016 (*continued*)

1 Accounting policies (*continued*)

The current income 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 company's subsidiaries operate and generate taxable income.

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

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

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax balances are not discounted.

Foreign currency

Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

Financial instruments

Basic financial instruments

Financial assets

Financial assets comprise cash at bank and in hand, trade debtors and other debtors; these are initially recorded at cost on the date they originate and are subsequently recorded at cost less provisions for impairment. The company considers evidence of impairment for all individual trade and other debtors, and any subsequent impairment is recognised in the statement of comprehensive income.

Impairment of financial assets

Impairment provisions are recognised when there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulties of the counterparty, default or significant delays in payment.

Impairment provisions represent the difference between the net carrying amount of a financial asset and the present value of the expected future cash receipts from that asset.

Boss Design Limited

Notes forming part of the financial statements for the year ended 31 March 2016 (*continued*)

1 Accounting policies (*continued*)

Financial liabilities

Financial liabilities comprise bank loans and overdrafts, trade creditors, other creditors, accruals and deferred income; these are initially recorded, and subsequently carried, at cost on the date they originate.

Financial liabilities also comprise obligations under finance lease and hire purchase contracts; these are initially recorded at cost on the date they originate, and are subsequently carried at amortised cost under the effective interest method.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income expenses.

The estimates and associated assumptions are based on historic experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities and are not readily apparent from other sources. Actual results may differ from these estimates. The judgements, estimates and assumptions which have a significant risk of material adjustment to the carrying amount of assets and liabilities are:

Stock provisions

The company has recognised amounts for the impairment of stock. The judgements, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other reasonable factors. This provision is based on an assessment of stock usage in the year. The value of stock in note 12 is net of the provision for the impairment of stock.

Doubtful debt provision

The company has recognised provisions against specific trade debtor balances. The judgements and estimates necessary to calculate these provisions are based on historical experience and other reasonable factors. This provision is based on the age of debtor balances and the assessed recoverability. The value of trade debtors in note 13 is net of the provision for doubtful debts.

Boss Design Limited

Notes forming part of the financial statements for the year ended 31 March 2016 (continued)

3 Turnover

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

	2016 £	2015 £
Analysis of turnover by country of destination:		
United Kingdom	30,174,571	24,621,719
Rest of Europe	2,539,952	1,430,796
Rest of the world	6,231,690	5,024,056
	<u>38,946,233</u>	<u>31,076,571</u>

4 Operating profit

	2016 £	2015 £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	651,805	570,809
Amortisation of intangible assets	12,779	10,423
Operating lease expense	61,414	58,097
Fees payable to the company's auditor for the audit of the company's annual accounts	29,515	27,400
Exchange differences	(380,665)	(207,078)
	<u>(380,665)</u>	<u>(207,078)</u>

5 Employees

Staff costs (including directors) consist of:

	2016 £	2015 £
Wages and salaries	6,904,430	5,839,832
Social security costs	711,277	584,826
Other pension costs	139,986	116,107
	<u>7,755,693</u>	<u>6,540,765</u>

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

	2016 Number	2015 Number
Sales	39	35
Administration	48	46
Production	122	121
	<u>209</u>	<u>202</u>

Boss Design Limited

Notes forming part of the financial statements
for the year ended 31 March 2016 *(continued)*

6 Directors' remuneration

	2016 £	2015 £
Directors' emoluments	874,561	776,036
Company contributions to money purchase pension schemes	53,621	40,455
	<u> </u>	<u> </u>

There were 6 directors in the company's defined contribution pension scheme during the year (2015 - 5).

The total amount payable to the highest paid director in respect of emoluments was £225,578 (2015 - £226,385). No company pension contributions of were made to a money purchase scheme on his behalf in current or preceding financial year.

7 Interest payable and similar charges

	2016 £	2015 £
Bank loans and overdrafts	32,859	31,247
Finance charges	752	785
	<u> </u>	<u> </u>
	33,611	32,032
	<u> </u>	<u> </u>

Boss Design Limited

Notes forming part of the financial statements for the year ended 31 March 2016 (*continued*)

8 Taxation on loss on ordinary activities

	2016 £	2015 £
<i>Corporation tax</i>		
Current tax on profits for the year	775,990	530,746
Adjustments in respect of previous periods	(90,109)	3,411
	<hr/>	<hr/>
Total current tax	685,881	534,157
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination and reversal of timing differences	9,151	58,110
Adjustments in respect of prior periods	24,378	-
Effect of change in tax rate	(9,993)	-
	<hr/>	<hr/>
Movement in deferred tax provision	23,536	58,110
	<hr/>	<hr/>
Taxation on profit on ordinary activities	709,417	592,267
	<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:

	2016 £	2015 £
Profit on ordinary activities before tax	3,714,555	2,594,179
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20% (2015 - 21%)	744,091	544,778
Effect of:		
Expenses not deductible for tax purposes	35,000	46,409
Adjustment in respect of previous periods	(65,731)	3,411
Other timing differences	(3,943)	(2,331)
	<hr/>	<hr/>
Total tax charge for period	709,417	592,267
	<hr/>	<hr/>

Factors that may affect future tax charges

The corporation tax rate reduced to 20% on 1 April 2015. The corporation tax rate will further reduce to 19% as of 1 April 2017 and 18% as of 2020. This will reduce the company's future current tax rate accordingly. Deferred tax has been calculated at 18% being the rate substantively enacted at the year end.

Boss Design Limited

Notes forming part of the financial statements
for the year ended 31 March 2016 (*continued*)

9 Dividends

	2016 £	2015 £
Ordinary shares		
Interim paid of £286.62 (2015 - £255.31) per share	2,923,491	2,604,160

10 Intangible fixed assets

	Licences £
<i>Cost</i>	
At 1 April 2015	91,438
Additions	-
	<hr/>
At 31 March 2016	91,438
<i>Amortisation</i>	
At 1 April 2015	66,494
Provided for the year	12,779
	<hr/>
At 31 March 2016	79,273
	<hr/>
<i>Net book value</i>	
At 31 March 2016	12,165
	<hr/>
At 31 March 2015	24,944
	<hr/>

Boss Design Limited

Notes forming part of the financial statements
for the year ended 31 March 2016 (*continued*)

11 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Plant and machinery £	Motor vehicles £	Tooling £	Total £
<i>Cost</i>						
At 1 April 2015	2,246,344	1,691,518	1,876,830	1,125,257	2,737,442	9,677,391
Additions	-	47,797	193,083	111,567	235,283	587,730
Disposals	-	-	-	(58,595)	-	(58,595)
At 31 March 2016	<u>2,246,344</u>	<u>1,739,315</u>	<u>2,069,913</u>	<u>1,178,229</u>	<u>2,972,725</u>	<u>10,206,526</u>
<i>Depreciation</i>						
At 31 March 2015	389,270	1,072,416	1,749,728	661,464	1,995,790	5,868,668
Provided for the year	38,927	155,296	62,819	154,883	239,880	651,805
Disposals	-	-	-	(46,986)	-	(46,986)
At March 2016	<u>428,197</u>	<u>1,227,712</u>	<u>1,812,547</u>	<u>769,361</u>	<u>2,235,670</u>	<u>6,473,487</u>
<i>Net book value</i>						
At 31 March 2016	<u>1,818,147</u>	<u>511,603</u>	<u>257,366</u>	<u>408,868</u>	<u>737,055</u>	<u>3,733,039</u>
At 31 March 2015	<u>1,857,074</u>	<u>619,102</u>	<u>127,102</u>	<u>463,793</u>	<u>741,652</u>	<u>3,808,723</u>

Boss Design Limited

Notes forming part of the financial statements for the year ended 31 March 2016 (*continued*)

11 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:

	2016 £	2015 £
<i>Net book value</i>		
Motor vehicles	173,018	185,191
	<u> </u>	<u> </u>
<i>Depreciation charged</i>		
Motor vehicles	40,288	5,024
	<u> </u>	<u> </u>

12 Stocks

	2016 £	2015 £
Raw materials and consumables	2,110,564	1,810,117
Work in progress	600,740	299,157
Finished goods and goods for resale	271,587	140,988
	<u> </u>	<u> </u>
	2,982,891	2,250,262
	<u> </u>	<u> </u>

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

The cost of inventories expensed in the period and included within cost of sales was £25,007,698 (2015 - £19,215,137). Impairment losses relating to aged inventories and included within cost of sales amounted to £708,099 (2015 - £734,663).

13 Debtors

	2016 £	2015 £
Trade debtors	7,494,423	5,376,521
Other debtors	-	450,000
Prepayments and accrued income	921,905	740,004
	<u> </u>	<u> </u>
	8,416,329	6,566,525
	<u> </u>	<u> </u>

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

The impairment loss recognised in the statement of comprehensive income for the period in respect of bad and doubtful trade debtors was £188,459 (2015 - £116,397).

Boss Design Limited

Notes forming part of the financial statements
for the year ended 31 March 2016 *(continued)*

14 Creditors: amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	98,577	97,084
Trade creditors	5,432,277	4,012,501
Corporation tax	335,854	268,928
Taxation and social security	772,035	638,456
Obligations under finance lease and hire purchase contracts	43,079	36,962
Other creditors	433,747	342,715
Accruals and deferred income	656,657	382,337
	<u>7,772,226</u>	<u>5,778,983</u>

15 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Bank loans (secured)	1,800,509	1,889,003
Obligations under finance lease and hire purchase contracts	54,022	60,580
	<u>1,854,531</u>	<u>1,959,583</u>

Maturity of debt:

	Loans and overdrafts 2016 £	Loans and overdrafts 2015 £	Finance leases 2016 £	Finance leases 2015 £
In one year or less, or on demand	<u>98,577</u>	<u>97,084</u>	<u>43,079</u>	<u>36,962</u>
In more than one year but not more than two years	100,094	98,577	44,137	30,290
In more than two years but not more than five years	309,619	304,927	9,885	30,290
In more than five years	<u>1,390,796</u>	<u>1,495,499</u>	<u>-</u>	<u>-</u>
	<u>1,800,509</u>	<u>1,899,003</u>	<u>54,022</u>	<u>60,580</u>

Boss Design Limited

Notes forming part of the financial statements for the year ended 31 March 2016 (*continued*)

15 Creditors: amounts falling due after more than one year (*continued*)

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

	2016 £	2015 £
Loans	1,390,796	1,495,499

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.

16 Provisions for liabilities

	Deferred taxation £
At 1 April 2015	75,553
Charged to statement of comprehensive income	23,536
	<hr/>
At 31 March 2016	99,089
	<hr/>

Deferred Taxation

	2016 £	2015 £
Accelerated capital allowances	102,731	75,553
Short term timing differences	(3,642)	-
	<hr/>	<hr/>
	99,089	75,553
	<hr/>	<hr/>

17 Share capital

	2016 £	2015 £
<i>Allotted, called up and fully paid</i>		
10,200 Ordinary shares of £1 each	10,200	10,200
	<hr/>	<hr/>

18 Contingent liabilities

At year end Boss Design Limited guaranteed a loan in Bospro Limited, a related party under the ownership and control of B S Murray, up to a maximum value of £1,200,000 (2015 - £1,200,000). At the year end the total outstanding liability in Bospro Limited was £924,163 (2015 - £1,024,572).

Boss Design Limited

Notes forming part of the financial statements for the year ended 31 March 2016 (*continued*)

19 Commitments under operating leases

The company had total lease payments under non-cancellable operating leases as set out below:

	Other 2016 £	Other 2015 £
Within one year	568,924	584,371
In two to five years	1,944,565	2,167,358
Later than 5 years	900,000	1,200,000
	<hr/>	<hr/>
Total	3,413,489	3,951,729
	<hr/>	<hr/>

20 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 FRS 102 section 33 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 previous year, Boss Design Limited rented a building from B S Murray for a rent £15,500. This building was sold on 7 April 2015 and hence no rent has been paid in the current year.

During the year, Boss Design Limited rented a London showroom from Bospro Limited, a related party under the ownership and control of B S Murray, at a nominal rent of £300,000 (2015 - £260,000).

During the previous year, Boss Design provided an interest free loan to Bospro Limited. The outstanding balance at 31 March 2015 was £450,000. All amounts have been fully repaid in the year.

B S Murray is a shareholder and director of Bospro Limited.

The directors consider key management personnel to be the statutory directors themselves who together have authority and responsibility for planning, directing and controlling the activities of the company.

21 Ultimate parent company and parent undertaking of larger group

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, Crown Way, Cardiff CF14 3UZ. 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 2016 (*continued*)

22 Capital commitments

	2016 £	2015 £
Contracted but not provided for	289,064	544,231

23 First time adoption of FRS 102

The company has adopted FRS102 for the first time for the year ended 31 March 2016. The adoption of FRS 102 has not resulted in any changes to the results for the comparative period ended 31 March 2015 or the financial position at 1 April 2015 and 31 March 2014.