

Registration number: 03799350

Oliver Bonas Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 December 2019

Franklin, Chartered Accountants
320 Garratt Lane
London
SW18 4EJ

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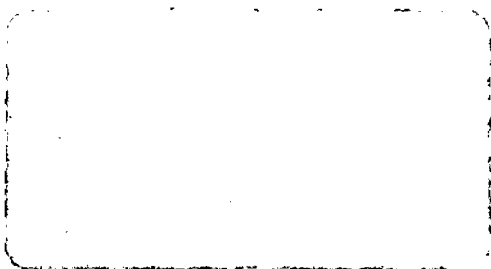
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Oliver Bonas Limited

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Oliver Bonas Limited

Company Information

Directors	Mr Oliver Tress Mr Timothy Hollidge
Company secretary	Mr Timothy Hollidge
Registered office	Unit F Davis Road Industrial Park Davis Road Chessington Surrey KT9 1TQ
Senior Auditor	Andrew Franklin
Auditors	Franklin, Chartered Accountants 320 Garratt Lane London SW18 4EJ

Oliver Bonas Limited

Strategic Report for the Year Ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

Principal activity

The principal activity of the company is Oliver Bonas is a design led British lifestyle retailer specialising in a broad range of product categories including fashion, homeware, furniture and gifts. The company operates 79 stores in the UK, one in the Republic of Ireland, transactional websites in the UK, USA and Ireland and features on a number of Marketplaces.

Fair review of the business

2019 was the proverbial game of two halves with a subdued start to the year followed by a more buoyant second half. Like for like sales for the year were up 7.8%

Total turnover for the year rose 18%, with EBITDA up 20% and net profit up 22% once you strip out fixed asset disposals.

On the store side, 6 new stores were opened including the first international store in Dublin, which has been very well received. All stores opened well and profitably.

We closed 3 stores where the leases ended. Unfortunately, the high cost of rent and rates meant they became uneconomic to run.

Lastly, on the store side, we relocated 4 stores to larger premises. These have proved a huge success and augur well for the future.

The web had a very strong second half of the year with total sales for the year being up 34.1%. We started to see the benefits of the new Magento 2 platform as well as improved SEO and marketing. Of note was the Irish website, which benefited markedly from the opening of the Dublin store, demonstrating the symbiotic relationship of the multichannel approach.

Marketplaces performed well overall, by the end of the year we were selling on 6 of Zalando's territories and opened a store on Ebay. In addition, the Next Brand marketplace continued to perform well. Margin continued to be a struggle, with increased marketing, a higher proportion of web sales and sterling's continued weakness against the dollar, despite a currency exchange rate hedging strategy that impacted positively.

Principal risks and uncertainties

The principal risks to the company are product risk and economic risk.

As a design led company, Oliver Bonas invests a lot of time in developing and innovating new products from sketch to final finished product. Each product goes through many iterations before it is signed off ready for retail. Although there are many checks in the product journey, we cannot always be certain of their success. However, many hundreds of products are designed every year and therefore the occasional product failure should be mitigated by all the other successes.

As a UK based company, Oliver Bonas is affected by the health of the UK economy and in particular overall consumer confidence. The retail sector continues to be very challenging as the market shifts and responds to changes in shopping habits, technological advances and consumer preferences. Oliver Bonas is not immune to this. However, the medium-term intention remains to reduce the business reliance on the UK by growing overseas revenue through overseas websites, overseas stores and marketplaces.

Oliver Bonas Limited

Strategic Report for the Year Ended 31 December 2019

Future developments

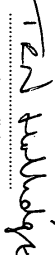
The business entered 2020 with some momentum. Life for like sales remained positive and the company was performing well in January and February 2020

However we temporarily closed the doors to all our stores on March 21st as the UK and Ireland went into lockdown to manage the coronavirus pandemic outbreak. We worked hard to keep our website trading and keep the team safe in our warehouse and web fulfilment teams. Whilst we traded well online, the loss of store revenue for 3 months has hit the company hard.

However, the whole of Team OB has stepped up to the plate and every avenue of mitigation has, and is, being explored and undertaken: CLBILS loan, the furlough scheme, deferred tax payments, the rates holiday and grants. These measures, combined with the web sales and the sheer determination of the Oliver Bonas team, will get us through this crisis – but in what shape is yet to be seen.

This financial challenge pales into insignificance, however, compared to the humanitarian element. The cost to human life makes all the talk about numbers and plans irrelevant. We have lost people in the OB community to this pandemic and our thoughts are with their loved ones, colleagues and anyone touched by them. We miss them terribly.

Approved by the Board on 24.09.20 and signed on its behalf by:



.....
Mr Timothy Hollidge
Company secretary and director

Oliver Bonas Limited

Directors' Report for the Year Ended 31 December 2019

The directors present their report and the consolidated financial statements for the year ended 31 December 2019.

Directors of the group

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

Mr Oliver Tress

Mr Timothy Hollidge - Company secretary and director

Employment of disabled persons

Kindness is at the heart of our values and Team OB. At Oliver Bonas we pride ourselves on being an equal opportunities employer, who celebrate individualism and promote diversity. We do not tolerate discrimination of any kind and are committed to equal and fair treatment of everyone, regardless of their gender orientation, ethnicity or physical ability.

Employee involvement

Employees are involved and informed about all aspects of the business, through monthly meetings, regular area meetings, the Intranet, a quarterly newsletter "The Tolly" and a monthly HR missive, "The Bugle". Regular team surveys are conducted to listen to team members on the ground, in store and the company conducts an "open door" policy. In addition, team members are updated through video using a resource called looop as well as through Microsoft Teams and Zoom.

Environmental matters

Our commitment to the environment and sustainability also led to change and improvement. A cross-business Packaging Taskforce was established to look at 'reduce, reuse & recycle' across all stages of the lifecycle of our products. Many other improvements were also made, including a move to paper bags in store and paper void filler in our online orders. We have committed zero waste to landfill for all our stores and office waste in 2020.

Social and community issues

In 2019, Oliver Bonas started a two year exciting relationship with the charity UK Youth, an organisation committed to ensuring all young people are empowered to build bright futures, regardless of their background or circumstances. Over £83k was raised for all charitable causes in 2019 through fundraising, products sold in store and carrier bag charges. This included support for over 900 local organisations and individuals, donating just over £19,500 in gift cards for fundraising events.

Our full commitment to Ethical Trade continued and the company achieved full membership of the Ethical Trade Initiative during the year. We continue to work closely with all our suppliers to improve working conditions even further.

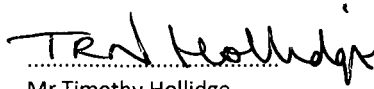
Oliver Bonas Limited

Directors' Report for the Year Ended 31 December 2019

Disclosure of information to the auditor

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

Approved by the Board on 24/9/20 and signed on its behalf by:



Mr Timothy Hollidge
Company secretary and director

Oliver Bonas Limited

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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.

Oliver Bonas Limited

Independent Auditor's Report to the Members of Oliver Bonas Limited

Opinion

We have audited the financial statements of Oliver Bonas Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw your attention to the Future Developments paragraph of the Strategic Report regarding the coronavirus pandemic, the material uncertainty that exists and the steps the business has taken to mitigate this uncertainty.

Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Oliver Bonas Limited

Independent Auditor's Report to the Members of Oliver Bonas Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 6], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Oliver Bonas Limited

Independent Auditor's Report to the Members of Oliver Bonas Limited

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

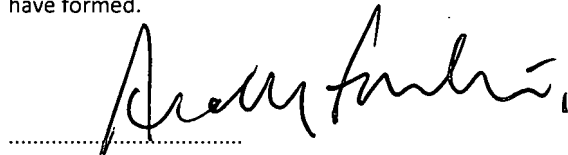
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oliver Bonas Limited

Independent Auditor's Report to the Members of Oliver Bonas Limited

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Franklin (Senior Statutory Auditor)

For and on behalf of Franklin, Chartered Accountants, Statutory Auditor

320 Garratt Lane
London
SW18 4EJ

Date:

20. 9. 2020

Oliver Bonas Limited

Consolidated Profit and Loss Account for the Year Ended 31 December 2019

	Note	2019 £	2018 £
Turnover	3	81,626,710	69,015,803
Cost of sales		<u>(35,784,157)</u>	<u>(28,737,017)</u>
Gross profit		45,842,553	40,278,786
Administrative expenses		<u>(41,767,986)</u>	<u>(36,860,730)</u>
Operating profit	5	<u>4,074,567</u>	<u>3,418,056</u>
Other interest receivable and similar income	6	898	530
Interest payable and similar expenses	7	<u>(460,222)</u>	<u>(417,815)</u>
		<u>(459,324)</u>	<u>(417,285)</u>
Profit before tax		3,615,243	3,000,771
Tax on profit	11	<u>(819,368)</u>	<u>(678,468)</u>
Profit for the financial year		<u>2,795,875</u>	<u>2,322,303</u>
Profit/(loss) attributable to:			
Owners of the company		<u>2,795,875</u>	<u>2,322,303</u>

The notes on pages 20 to 39 form an integral part of these financial statements.

Oliver Bonas Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2019

	2019 £	2018 £
Profit for the year	2,795,875	2,322,303
Unrealised gain/(loss) on cash flow hedges	<u>(256,723)</u>	<u>57,060</u>
Total comprehensive income for the year	<u>2,539,152</u>	<u>2,379,363</u>
Total comprehensive income attributable to:		
Owners of the company	<u>2,539,152</u>	<u>2,379,363</u>

The notes on pages 20 to 39 form an integral part of these financial statements.

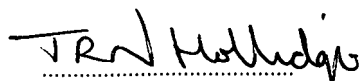
Oliver Bonas Limited

(Registration number: 03799350)

Consolidated Balance Sheet as at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	12	287,729	352,093
Tangible assets	13	<u>16,233,716</u>	<u>14,772,713</u>
		<u>16,521,445</u>	<u>15,124,806</u>
Current assets			
Stocks	15	10,526,871	9,065,701
Debtors	16	3,406,450	1,403,983
Cash at bank and in hand		<u>2,177,591</u>	<u>9,170,955</u>
		16,110,912	19,640,639
Creditors: Amounts falling due within one year	18	<u>(14,159,979)</u>	<u>(13,058,406)</u>
Net current assets		<u>1,950,933</u>	<u>6,582,233</u>
Total assets less current liabilities		18,472,378	21,707,039
Creditors: Amounts falling due after more than one year	18	(9,300,813)	(13,822,913)
Provisions for liabilities	19	<u>(652,403)</u>	<u>(496,396)</u>
Net assets		<u>8,519,162</u>	<u>7,387,730</u>
Capital and reserves			
Called up share capital	21	1,000	1,000
Share premium reserve		199,000	199,000
Profit and loss account		<u>8,319,162</u>	<u>7,187,730</u>
Equity attributable to owners of the company		<u>8,519,162</u>	<u>7,387,730</u>
Shareholders' funds		<u>8,519,162</u>	<u>7,387,730</u>

Approved and authorised by the Board on 24/9/20 and signed on its behalf by:



Mr Timothy Hollidge
Company secretary and director

The notes on pages 20 to 39 form an integral part of these financial statements.

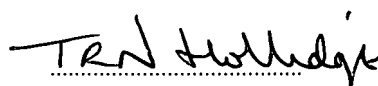
Oliver Bonas Limited

(Registration number: 03799350)
Balance Sheet as at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	12	287,261	352,093
Tangible assets	13	15,938,394	14,772,713
Investments	14	88	-
		<u>16,225,743</u>	<u>15,124,806</u>
Current assets			
Stocks	15	10,526,871	9,065,701
Debtors	16	3,403,893	1,403,983
Cash at bank and in hand		<u>1,839,787</u>	<u>9,170,955</u>
		15,770,551	19,640,639
Creditors: Amounts falling due within one year	18	<u>(13,504,351)</u>	<u>(13,058,406)</u>
Net current assets		<u>2,266,200</u>	<u>6,582,233</u>
Total assets less current liabilities		18,491,943	21,707,039
Creditors: Amounts falling due after more than one year	18	(9,300,813)	(13,822,913)
Provisions for liabilities	19	<u>(652,403)</u>	<u>(496,396)</u>
Net assets		<u>8,538,727</u>	<u>7,387,730</u>
Capital and reserves			
Called up share capital	21	1,000	1,000
Share premium reserve		199,000	199,000
Profit and loss account		<u>8,338,727</u>	<u>7,187,730</u>
Shareholders' funds		<u>8,538,727</u>	<u>7,387,730</u>

The company made a profit after tax for the financial year of £2,815,440 (2018 - profit of £2,322,303).

Approved and authorised by the Board on 24/9/20 and signed on its behalf by:



Mr Timothy Hollidge
Company secretary and director

Oliver Bonas Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2019
Equity attributable to the parent company

	Share capital	Share premium	Profit and loss account	Total
	£	£	£	£
At 1 January 2019	1,000	199,000	7,187,730	7,387,730
Profit for the year	-	-	2,795,875	2,795,875
Other comprehensive income	-	-	(256,723)	(256,723)
Total comprehensive income	-	-	2,539,152	2,539,152
Dividends	-	-	(1,407,720)	(1,407,720)
At 31 December 2019	<u>1,000</u>	<u>199,000</u>	<u>8,319,162</u>	<u>8,519,162</u>
				Total equity
				£
At 1 January 2019				7,387,730
Profit for the year				2,795,875
Other comprehensive income				(256,723)
Total comprehensive income				2,539,152
Dividends				(1,407,720)
At 31 December 2019				<u>8,519,162</u>
	Share capital	Share premium	Profit and loss account	Total
	£	£	£	£
At 1 January 2018	1,000	199,000	5,998,048	6,198,048
Profit for the year	-	-	2,322,303	2,322,303
Other comprehensive income	-	-	57,060	57,060
Total comprehensive income	-	-	2,379,363	2,379,363
Dividends	-	-	(1,189,681)	(1,189,681)
At 31 December 2018	<u>1,000</u>	<u>199,000</u>	<u>7,187,730</u>	<u>7,387,730</u>
				Total equity
				£
At 1 January 2018				6,198,048
Profit for the year				2,322,303
Other comprehensive income				57,060
Total comprehensive income				2,379,363
Dividends				(1,189,681)
At 31 December 2018				<u>7,387,730</u>

The notes on pages 20 to 39 form an integral part of these financial statements.

Oliver Bonas Limited

Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital	Share premium	Profit and loss account	Total
	£	£	£	£
At 1 January 2019	1,000	199,000	7,187,730	7,387,730
Profit for the year	-	-	2,815,440	2,815,440
Other comprehensive income	-	-	(256,723)	(256,723)
Total comprehensive income	-	-	2,558,717	2,558,717
Dividends	-	-	(1,407,720)	(1,407,720)
At 31 December 2019	1,000	199,000	8,338,727	8,538,727
	Share capital	Share premium	Profit and loss account	Total
	£	£	£	£
At 1 January 2018	1,000	199,000	5,998,048	6,198,048
Profit for the year	-	-	2,322,303	2,322,303
Other comprehensive income	-	-	57,060	57,060
Total comprehensive income	-	-	2,379,363	2,379,363
Dividends	-	-	(1,189,681)	(1,189,681)
At 31 December 2018	1,000	199,000	7,187,730	7,387,730

The notes on pages 20 to 39 form an integral part of these financial statements.

Oliver Bonas Limited

Consolidated Statement of Cash Flows for the Year Ended 31 December 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Profit for the year		2,795,875	2,322,303
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	2,387,944	2,204,521
Loss/(profit) on disposal of tangible assets	4	257,089	(151,507)
Finance income	6	(898)	(530)
Finance costs	7	460,222	417,815
Income tax expense	11	819,368	678,468
		<u>6,719,600</u>	<u>5,471,070</u>
Working capital adjustments			
Increase in stocks	15	(1,461,170)	(1,012,869)
Increase in trade debtors	16	(1,450,057)	(240,138)
Increase in trade creditors	18	2,588,162	3,403,571
Decrease in provisions	19	(288,964)	(58,054)
Cash generated from operations		6,107,571	7,563,580
Income taxes paid	11	(558,369)	(474,669)
Net cash flow from operating activities		<u>5,549,202</u>	<u>7,088,911</u>
Cash flows from investing activities			
Interest received		898	530
Acquisitions of tangible assets		(3,989,767)	(3,585,922)
Proceeds from sale of tangible assets		57,903	278,848
Acquisition of intangible assets	12	(109,808)	(240,569)
Proceeds from sale of intangible assets		<u>-</u>	<u>106</u>
Net cash flows from investing activities		<u>(4,040,774)</u>	<u>(3,547,007)</u>
Cash flows from financing activities			
Interest paid	7	(460,222)	(417,815)
Proceeds from bank borrowing draw downs		(5,000,000)	11,000,000
Repayment of other borrowing		(82,036)	(131,815)
Payments to finance lease creditors		(951,883)	(413,734)
Dividends paid		<u>(1,375,479)</u>	<u>(1,074,567)</u>
Net cash flows from financing activities		<u>(7,869,620)</u>	<u>8,962,069</u>
Net (decrease)/increase in cash and cash equivalents		(6,361,192)	12,503,973
Cash and cash equivalents at 1 January		<u>8,538,668</u>	<u>(3,965,305)</u>
Cash and cash equivalents at 31 December		<u><u>2,177,476</u></u>	<u><u>8,538,668</u></u>

The notes on pages 20 to 39 form an integral part of these financial statements.

Oliver Bonas Limited

Statement of Cash Flows for the Year Ended 31 December 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Profit for the year		2,815,440	2,322,303
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	2,383,132	2,204,521
Loss/(profit) on disposal of tangible assets	4	257,089	(151,507)
Finance income		(898)	(530)
Finance costs		460,222	417,815
Income tax expense	11	819,368	678,468
		<u>6,734,353</u>	<u>5,471,070</u>
Working capital adjustments			
Increase in stocks	15	(1,461,170)	(1,012,869)
Increase in trade debtors	16	(1,999,910)	(240,138)
Increase in trade creditors	18	2,484,944	3,403,571
Decrease in provisions	19	(288,964)	(58,054)
Cash generated from operations		5,469,253	7,563,580
Income taxes paid	11	(558,369)	(474,669)
Net cash flow from operating activities		<u>4,910,884</u>	<u>7,088,911</u>
Cash flows from investing activities			
Interest received		898	530
Acquisition of subsidiaries	14	(88)	-
Acquisitions of tangible assets		(3,689,789)	(3,585,922)
Proceeds from sale of tangible assets		57,903	278,848
Acquisition of intangible assets	12	(109,184)	(240,569)
Proceeds from sale of intangible assets		-	106
Net cash flows from investing activities		<u>(3,740,260)</u>	<u>(3,547,007)</u>
Cash flows from financing activities			
Interest paid		(460,222)	(417,815)
Proceeds from bank borrowing draw downs		(5,000,000)	11,000,000
Repayment of other borrowing		(82,036)	(131,815)
Payments to finance lease creditors		(951,883)	(413,734)
Dividends paid		(1,375,479)	(1,074,567)
Net cash flows from financing activities		<u>(7,869,620)</u>	<u>8,962,069</u>
Net (decrease)/increase in cash and cash equivalents		(6,698,996)	12,503,973
Cash and cash equivalents at 1 January		<u>8,538,668</u>	<u>(3,965,305)</u>

The notes on pages 20 to 39 form an integral part of these financial statements.

Oliver Bonas Limited

Statement of Cash Flows for the Year Ended 31 December 2019

	Note	2019 £	2018 £
Cash and cash equivalents at 31 December		<u>1,839,672</u>	<u>8,538,668</u>

The notes on pages 20 to 39 form an integral part of these financial statements.

Oliver Bonas Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

1 General information

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

The address of its registered office is:

Unit F
Davis Road Industrial Park
Davis Road
Chessington
Surrey
KT9 1TQ
England

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

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

The functional currency of the company is considered to be Sterling and the currency of the primary economic environment in which the company operates.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2019.

Oliver Bonas Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

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

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

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

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

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

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Going concern

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

Judgements

In the application of the company's accounting policies management is required to make judgements, estimates, and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision, and future periods if the revision affects both current and future periods.

Revenue recognition

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

The group recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the group's activities.

Oliver Bonas Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Foreign currency transactions and balances

The financial statements are presented in Sterling, which is also the functional currency of the company. Transactions in currencies other than the functional currency of the company are recorded at the rate of exchange on the date the transaction accrued. Monetary items denominated in other currencies are translated at the rate prevailing at the end of the reporting period. All differences are taken to profit and loss. Non-monetary items that are measured at historic cost in a foreign currency are not retranslated.

Tax

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

The current 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 group operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

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

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

Depreciation

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

Asset class	Depreciation method and rate
Short leasehold	10% straight line basis
Plant and machinery	10% straight line basis
Fixtures and fittings	10% reducing balance basis
Motor Vehicles	25% straight line basis

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Oliver Bonas Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Intangible assets

Intangible assets are initially measured at cost. After initial recognition intangible assets are measured at cost less any accumulated amortisation and any impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Computer software	25% straight line basis

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Cash and cash equivalents

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

Debtors

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

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Inventories

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Oliver Bonas Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Borrowings

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

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

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

Provisions

Provisions are recognised when the company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit and loss in the period to which they relate.

Oliver Bonas Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Financial instruments

Classification

The Company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

Recognition and measurement

Financial instruments are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate.

Impairment

Financial instruments are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate.

Derivatives

The company uses forward foreign currency contracts to reduce exposure to foreign exchange rates. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in fair value of derivatives are recognised in profit and loss finance costs or income as appropriate.

Oliver Bonas Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Related Parties

For the purpose of these financial statements, a party is considered to be related to the company if:

- (1) the party has the ability, directly or indirectly, through one or more intermediaries, to control the company or exercise significant influence over the company in making financial and operating policy decisions, or has joint control over the company;
- (2) the company and the party are subject to common control;
- (3) the party is an associate of the company or a joint venture in which the company is a venturer;
- (4) the party is a member of key management personnel of the company or the company's parents, or a close family member of such an individual, or is an entity under control, joint control or significant influence of such individuals;
- (5) the party is a close family member of a party referred to in, or is an entity under the control, joint control or significant influence of such individuals; or
- (6) the party is a post-employment benefit plan which is for the benefit of employees of the company or of any entity that is a related party of the company.
- (7) the party, or any member of a group of which it is part, provides key management personnel services to the company or its parent.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that in their dealings with the entity.

3 Revenue

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

	2019	2018
	£	£
Sale of goods	<u>81,626,710</u>	<u>69,015,803</u>

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

	2019	2018
	£	£
Class 1	<u>81,626,710</u>	<u>69,015,803</u>

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

	2019	2018
	£	£
UK	80,872,841	68,626,995
Europe	292,064	-
Rest of world	<u>461,805</u>	<u>388,808</u>
	<u>81,626,710</u>	<u>69,015,803</u>

Oliver Bonas Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

4 Other gains and losses

The analysis of the group's other gains and losses for the year is as follows:

	2019	2018
	£	£
Gain (loss) on disposal of property, plant and equipment	<u>(257,089)</u>	<u>151,507</u>

5 Operating profit

Arrived at after charging/(crediting)

	2019	2018
	£	£
Depreciation expense	2,213,772	1,947,581
Amortisation expense	174,172	256,940
Foreign exchange (gains)/losses	(98,168)	23,162
Operating lease expense - plant and machinery	20,715	25,799
Loss/(profit) on disposal of property, plant and equipment	<u>257,089</u>	<u>(151,507)</u>

6 Other interest receivable and similar income

	2019	2018
	£	£
Interest income on bank deposits	<u>898</u>	<u>530</u>

7 Interest payable and similar expenses

	2019	2018
	£	£
Interest on bank overdrafts and borrowings	355,797	257,691
Interest on obligations under finance leases and hire purchase contracts	<u>104,425</u>	<u>160,124</u>
	<u>460,222</u>	<u>417,815</u>

Oliver Bonas Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

8 Staff costs

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

	2019	2018
	£	£
Wages and salaries	18,518,858	16,489,518
Social security costs	1,319,556	1,202,438
Pension costs, defined contribution scheme	374,770	210,923
Other employee expense	233,390	207,542
	<u>20,446,574</u>	<u>18,110,421</u>

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

	2019	2018
	No.	No.
Administration and support	169	154
Sales	437	390
Distribution	92	90
	<u>698</u>	<u>634</u>

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2019	2018
	£	£
Remuneration	39,350	38,025
Contributions paid to money purchase schemes	1,085	665
	<u>40,435</u>	<u>38,690</u>

10 Auditors' remuneration

	2019	2018
	£	£
Audit of these financial statements	<u>40,000</u>	<u>40,000</u>

Oliver Bonas Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

11 Taxation

Tax charged/(credited) in the income statement

	2019 £	2018 £
Current taxation		
UK corporation tax	663,361	643,185
Deferred taxation		
Arising from changes in tax rates and laws	156,007	35,283
Tax expense in the income statement	<u>819,368</u>	<u>678,468</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2018 - the same as the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £	2018 £
Profit before tax	<u>3,615,243</u>	<u>3,000,771</u>
Corporation tax at standard rate	690,614	570,146
Effect of expense not deductible in determining taxable profit (tax loss)	(14,558)	(21,681)
Deferred tax expense relating to changes in tax rates or laws	156,007	35,283
Tax (decrease)/increase from effect of capital allowances and depreciation	<u>(12,695)</u>	<u>94,720</u>
Total tax charge	<u>819,368</u>	<u>678,468</u>

Deferred tax

Group

Company

Deferred tax assets and liabilities

	Liability £
2019	
Timing difference	<u>156,007</u>
2018	
Timing difference	<u>35,282</u>

Oliver Bonas Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

12 Intangible assets

Group

	Computer Software £	Total £
Cost or valuation		
At 1 January 2019	1,025,933	1,025,933
Additions acquired separately	109,808	109,808
Disposals	(2,595)	(2,595)
At 31 December 2019	1,133,146	1,133,146
Amortisation		
At 1 January 2019	673,840	673,840
Amortisation charge	174,172	174,172
Amortisation eliminated on disposals	(2,595)	(2,595)
At 31 December 2019	845,417	845,417
Carrying amount		
At 31 December 2019	287,729	287,729
At 31 December 2018	352,093	352,093

Company

	Computer Software £	Total £
Cost or valuation		
At 1 January 2019	1,025,933	1,025,933
Additions acquired separately	109,184	109,184
Disposals	(2,595)	(2,595)
At 31 December 2019	1,132,522	1,132,522
Amortisation		
At 1 January 2019	673,840	673,840
Amortisation charge	174,016	174,016
Amortisation eliminated on disposals	(2,595)	(2,595)
At 31 December 2019	845,261	845,261
Carrying amount		
At 31 December 2019	287,261	287,261
At 31 December 2018	352,093	352,093

Oliver Bonas Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

13 Tangible assets

Group

	Short Leasehold £	Fixtures and fittings £	Motor vehicles £	Plant and Machinery £	Total £
Cost or valuation					
At 1 January 2019	7,923,284	10,895,711	257,715	3,792,043	22,868,753
Additions	1,372,223	1,729,559	56,580	831,405	3,989,767
Disposals	<u>(499,151)</u>	<u>(598,451)</u>	<u>-</u>	<u>(82,804)</u>	<u>(1,180,406)</u>
At 31 December 2019	<u>8,796,356</u>	<u>12,026,819</u>	<u>314,295</u>	<u>4,540,644</u>	<u>25,678,114</u>
Depreciation					
At 1 January 2019	2,916,780	4,038,911	195,629	944,720	8,096,040
Charge for the year	930,670	836,323	33,356	413,423	2,213,772
Eliminated on disposal	<u>(408,865)</u>	<u>(409,014)</u>	<u>-</u>	<u>(47,535)</u>	<u>(865,414)</u>
At 31 December 2019	<u>3,438,585</u>	<u>4,466,220</u>	<u>228,985</u>	<u>1,310,608</u>	<u>9,444,398</u>
Carrying amount					
At 31 December 2019	<u>5,357,771</u>	<u>7,560,599</u>	<u>85,310</u>	<u>3,230,036</u>	<u>16,233,716</u>
At 31 December 2018	<u>5,006,504</u>	<u>6,856,800</u>	<u>62,086</u>	<u>2,847,323</u>	<u>14,772,713</u>

Included within the net book value of land and buildings above is £5,357,770 (2018 - £5,006,504) in respect of short leasehold land and buildings.

Oliver Bonas Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Company

	Short Leasehold £	Fixtures and fittings £	Motor vehicles £	Plant & Machinery £	Total £
Cost or valuation					
At 1 January 2019	7,923,284	10,895,711	257,715	3,792,043	22,868,753
Additions	1,330,993	1,470,811	56,580	831,405	3,689,789
Disposals	<u>(499,151)</u>	<u>(598,451)</u>	<u>-</u>	<u>(82,804)</u>	<u>(1,180,406)</u>
At 31 December 2019	<u>8,755,126</u>	<u>11,768,071</u>	<u>314,295</u>	<u>4,540,644</u>	<u>25,378,136</u>
Depreciation					
At 1 January 2019	2,916,780	4,038,911	195,629	944,720	8,096,040
Charge for the year	930,326	832,011	33,356	413,423	2,209,116
Eliminated on disposal	<u>(408,865)</u>	<u>(409,014)</u>	<u>-</u>	<u>(47,535)</u>	<u>(865,414)</u>
At 31 December 2019	<u>3,438,241</u>	<u>4,461,908</u>	<u>228,985</u>	<u>1,310,608</u>	<u>9,439,742</u>
Carrying amount					
At 31 December 2019	<u>5,316,885</u>	<u>7,306,163</u>	<u>85,310</u>	<u>3,230,036</u>	<u>15,938,394</u>
At 31 December 2018	<u>5,006,504</u>	<u>6,856,800</u>	<u>62,086</u>	<u>2,847,323</u>	<u>14,772,713</u>

Included within the net book value of land and buildings above is £5,316,884 (2018 - £5,006,504) in respect of short leasehold land and buildings.

Oliver Bonas Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

13. HP Tangible assets

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Short Leasehold £	Plant & Machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation					
At 1 January 2019	1,345,011	1,165,538	1,176,638	121,637	3,808,824
Transfer to/from	<u>(535,095)</u>	<u>(475,026)</u>	<u>(595,531)</u>	<u>-</u>	<u>(1,605,652)</u>
At 31 December 2019	<u>809,916</u>	<u>690,512</u>	<u>581,107</u>	<u>121,637</u>	<u>2,203,172</u>
Depreciation					
At 1 January 2019	342,615	304,603	266,307	59,551	973,076
Charge for the year	98,679	69,052	47,619	30,409	245,759
	<u>(176,954)</u>	<u>(166,463)</u>	<u>(161,389)</u>	<u>-</u>	<u>(504,806)</u>
At 31 December 2019	<u>264,340</u>	<u>207,192</u>	<u>152,537</u>	<u>89,960</u>	<u>714,029</u>
Carrying amount					
At 31 December 2019	<u>545,576</u>	<u>483,320</u>	<u>428,570</u>	<u>31,677</u>	<u>1,489,143</u>
At 31 December 2018	<u>1,002,396</u>	<u>860,936</u>	<u>910,332</u>	<u>62,086</u>	<u>2,835,750</u>

14 Investments

Company

	2019 £	2018 £
Investments in subsidiaries	<u>88</u>	<u>-</u>

Subsidiaries

Cost or valuation

Additions	<u>88</u>
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Provision

Carrying amount

At 31 December 2019	<u>88</u>
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Oliver Bonas Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking			Registered office	Holding	Proportion of voting rights and shares held	
					2019	2018
Subsidiary undertakings						
Oliver Bonas Limited	(Ireland)	The Black Church, St Marys Place, Dublin 7, D07 P4AX Ireland		Ordinary Shares	100%	0%

Subsidiary undertakings

Oliver Bonas (Ireland) Limited

The principal activity of Oliver Bonas (Ireland) Limited is Lifestyle retailer specialising in a broad range of product categories including fashion, homewares, furniture and gifts..

15 Stocks

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Other inventories	<u>10,526,871</u>	<u>9,065,701</u>	<u>10,526,871</u>	<u>9,065,701</u>

Group

Company

16 Debtors

	Note	Group		Company	
		2019	2018	2019	2018
		£	£	£	£
Trade debtors		257,865	121,045	257,865	121,045
Amounts owed by related parties	25	552,410	-	552,410	-
Other debtors		1,551,946	73,430	1,551,946	73,430
Prepayments		<u>1,044,229</u>	<u>1,209,508</u>	<u>1,041,672</u>	<u>1,209,508</u>
		<u>3,406,450</u>	<u>1,403,983</u>	<u>3,403,893</u>	<u>1,403,983</u>

Oliver Bonas Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

17 Cash and cash equivalents

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Cash on hand	400,180	356,461	400,180	356,461
Cash at bank	1,695,908	8,689,706	1,358,104	8,689,706
Short-term deposits	81,503	124,788	81,503	124,788
	<u>2,177,591</u>	<u>9,170,955</u>	<u>1,839,787</u>	<u>9,170,955</u>
Bank overdrafts	<u>(115)</u>	<u>(632,287)</u>	<u>(115)</u>	<u>(632,287)</u>
Cash and cash equivalents in statement of cash flows	<u>2,177,476</u>	<u>8,538,668</u>	<u>1,839,672</u>	<u>8,538,668</u>

18 Creditors

		Group		Company	
	Note	2019	2018	2019	2018
		£	£	£	£
Due within one year					
Loans and borrowings	22	485,801	1,592,583	485,801	1,592,583
Trade creditors		5,352,753	4,284,548	5,337,521	4,284,548
Amounts due to related parties	25	552,617	82,242	207	82,242
Social security and other taxes		2,877,997	2,378,111	2,842,541	2,378,111
Other payables		<u>4,890,811</u>	<u>4,720,922</u>	<u>4,838,281</u>	<u>4,720,922</u>
		<u>14,159,979</u>	<u>13,058,406</u>	<u>13,504,351</u>	<u>13,058,406</u>
Due after one year					
Loans and borrowings	22	6,212,547	11,689,821	6,212,547	11,689,821
Other non-current financial liabilities		<u>3,088,266</u>	<u>2,133,092</u>	<u>3,088,266</u>	<u>2,133,092</u>
		<u>9,300,813</u>	<u>13,822,913</u>	<u>9,300,813</u>	<u>13,822,913</u>

19 Provisions for liabilities

Group	Deferred tax	Total
	£	£
At 1 January 2019	496,396	496,396
Additional provisions	<u>156,007</u>	<u>156,007</u>
At 31 December 2019	<u>652,403</u>	<u>652,403</u>

Oliver Bonas Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Company

	Deferred tax £	Total £
At 1 January 2019	496,396	496,396
Additional provisions	156,007	156,007
At 31 December 2019	652,403	652,403

20 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £374,770 (2018 - £210,923).

21 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary A of £1 each	749	749	749	749
Ordinary B of £1 each	251	251	251	251
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

22 Loans and borrowings

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Non-current loans and borrowings				
Bank borrowings	6,000,000	11,000,000	6,000,000	11,000,000
HP and finance lease liabilities	212,547	689,821	212,547	689,821
	<u>6,212,547</u>	<u>11,689,821</u>	<u>6,212,547</u>	<u>11,689,821</u>

Oliver Bonas Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Current loans and borrowings				
Bank overdrafts	115	632,287	115	632,287
HP and finance lease liabilities	485,686	960,296	485,686	960,296
	<u>485,801</u>	<u>1,592,583</u>	<u>485,801</u>	<u>1,592,583</u>

Company

Bank borrowings

HSBC Bank Plc Loan Facility is denominated in Sterling with a nominal interest rate of LIBOR + 2.40%, and the final instalment is due on . The carrying amount at year end is £6,000,000 (2018 - £11,000,000).

A Debenture in the form and substance satisfactory to HSBC Bank Plc came into being 19 November 2018.

The company shall not create a mortgage or any fixed or floating charge or other security without prior written consent of HSBC Bank Plc.

23 Obligations under leases and hire purchase contracts

Group

Finance leases

The total of future minimum lease payments is as follows:

	2019	2018
	£	£
Not later than one year	485,686	960,296
Later than one year and not later than five years	212,547	689,820
	<u>698,233</u>	<u>1,650,116</u>

Operating leases

The total of future minimum lease payments is as follows:

	2019	2018
	£	£
Not later than one year	7,906,523	6,731,149
Later than one year and not later than five years	23,977,634	26,845,454
Later than five years	11,060,381	8,988,416
	<u>42,944,538</u>	<u>42,565,019</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £6,731,149 (2018 - £5,710,842).

Oliver Bonas Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Company

Finance leases

The total of future minimum lease payments is as follows:

	2019 £	2018 £
Not later than one year	485,686	960,296
Later than one year and not later than five years	212,547	689,820
	<u>698,233</u>	<u>1,650,116</u>

Operating leases

The total of future minimum lease payments is as follows:

	2019 £	2018 £
Not later than one year	7,751,456	6,731,149
Later than one year and not later than five years	23,357,367	26,845,454
Later than five years	9,159,619	8,988,416
	<u>40,268,442</u>	<u>42,565,019</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £6,731,149 (2018 - £5,710,842).

24 Dividends

Final dividends paid

	2019 £	2018 £
Final dividend of £43.0454 (2018 - £153.69) per each Ordinary A	32,241	115,114
Final dividend of £Nil per each Ordinary B	-	-
	<u>32,241</u>	<u>115,114</u>

Interim dividends paid

	2019 £	2018 £
Interim dividend of £841.4616 (2018 - £1,191.29) per each Ordinary A	630,255	892,277
Interim dividend of £2,969.02 (2018 - £726.25) per each Ordinary B	745,224	182,290
	<u>1,375,479</u>	<u>1,074,567</u>

Oliver Bonas Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

25 Related party transactions

Company

Transactions with directors

	At 1 January 2019 £	Advances to directors £	Repayments by director £	At 31 December 2019 £
2019				
Mr Oliver Tress				
Directors current account	<u>(1,422)</u>	<u>771,694</u>	<u>(110,964)</u>	<u>659,308</u>
Mr Timothy Hollidge				
Directors current account	<u>(80,820)</u>	<u>374,553</u>	<u>(293,940)</u>	<u>(207)</u>
	At 1 January 2018 £	Advances to directors £	Repayments by director £	At 31 December 2018 £
2018				
Mr Oliver Tress				
Directors current account	<u>(209,155)</u>	<u>207,733</u>	<u>-</u>	<u>(1,422)</u>
Mr Timothy Hollidge				
Directors current account	<u>(4,905)</u>	<u>-</u>	<u>(75,915)</u>	<u>(80,820)</u>

	2019 £	2018 £
Mr Oliver Tress		
Ordinary A interim dividend	<u>607,535</u>	<u>1,015,019</u>
Mr Timothy Hollidge		
Ordinary A Interim dividend	22,719	37,958
Ordinary B Interim dividend	<u>745,224</u>	<u>352,867</u>
	<u>767,943</u>	<u>390,825</u>

Oliver Bonas Limited

Detailed Consolidated Profit and Loss Account for the Year Ended 31 December 2019

	2019 £	2018 £
Turnover (analysed below)	81,626,710	69,015,803
Cost of sales (analysed below)	<u>(35,784,157)</u>	<u>(28,737,017)</u>
Gross profit	<u>45,842,553</u>	<u>40,278,786</u>
Gross profit (%)	56.16%	58.36%
Administrative expenses		
Employment costs (analysed below)	(20,446,574)	(18,110,421)
Establishment costs (analysed below)	(15,381,398)	(13,748,791)
General administrative expenses (analysed below)	(2,756,249)	(2,404,326)
Finance charges (analysed below)	(538,732)	(544,178)
Depreciation costs (analysed below)	(2,387,944)	(2,204,521)
Other expenses (analysed below)	<u>(257,089)</u>	<u>151,507</u>
	<u>(41,767,986)</u>	<u>(36,860,730)</u>
Operating profit	<u>4,074,567</u>	<u>3,418,056</u>
Other interest receivable and similar income (analysed below)	898	530
Interest payable and similar expenses (analysed below)	<u>(460,222)</u>	<u>(417,815)</u>
	<u>(459,324)</u>	<u>(417,285)</u>
Profit before tax	<u><u>3,615,243</u></u>	<u><u>3,000,771</u></u>

Oliver Bonas Limited

Detailed Consolidated Profit and Loss Account for the Year Ended 31 December 2019

	2019 £	2018 £
Turnover		
Sale of goods, UK	80,872,841	68,626,995
Sale of goods, Europe	292,064	-
Sale of goods, rest of world	461,805	388,808
	<u>81,626,710</u>	<u>69,015,803</u>
Cost of sales		
Opening merchandise	(9,065,702)	(8,542,002)
Purchases	(37,245,325)	(29,260,716)
Closing merchandise	10,526,870	9,065,701
	<u>(35,784,157)</u>	<u>(28,737,017)</u>
Employment costs		
Wages and salaries (excluding directors)	(18,479,508)	(16,451,493)
Staff NIC (Employers)	(1,316,558)	(1,199,452)
Directors remuneration	(39,350)	(38,025)
Directors NIC (Employers)	(2,998)	(2,986)
Staff pensions (Defined contribution)	(373,685)	(210,258)
Directors pensions (Defined contribution)	(1,085)	(665)
Staff training	(87,516)	(78,407)
Staff welfare	(145,874)	(129,135)
	<u>(20,446,574)</u>	<u>(18,110,421)</u>
Establishment costs		
Rates	(3,956,930)	(3,553,614)
Rent	(9,233,427)	(8,446,996)
Light, heat and power	(556,321)	(418,413)
Insurance	(276,294)	(237,189)
Repairs and maintenance	(710,447)	(489,513)
Repairs and renewals	(647,979)	(603,066)
	<u>(15,381,398)</u>	<u>(13,748,791)</u>
General administrative expenses		
Communications Costs	(184,213)	(167,008)
Computer software and maintenance costs	(567,609)	(443,525)
Printing, postage and stationery	(300,550)	(331,558)
Courier services	(75,767)	(62,089)
Trade subscriptions	(24,187)	(23,250)

This page does not form part of the statutory financial statements.

Oliver Bonas Limited

Detailed Consolidated Profit and Loss Account for the Year Ended 31 December 2019

	2019 £	2018 £
Charitable donations	(83,955)	(67,820)
Hire of plant and machinery (Operating leases)	(20,715)	(25,799)
Motor expenses	(64,841)	(79,362)
Travel and subsistence	(455,825)	(467,511)
Advertising	(491,340)	(298,619)
Staff entertaining (allowable for tax)	(28,312)	(61,234)
Accountancy fees	(13,146)	(6,029)
Auditor's remuneration - The audit of the company's annual accounts	(40,000)	(40,000)
Management fees	(37,566)	(24,383)
Legal and professional fees	(466,391)	(282,977)
Foreign currency (gains)/losses - operating expense	98,168	(23,162)
	<u>(2,756,249)</u>	<u>(2,404,326)</u>
Finance charges		
Bank charges	(42,432)	(83,032)
Credit card charges	(496,300)	(461,146)
	<u>(538,732)</u>	<u>(544,178)</u>
Depreciation costs		
Amortisation of goodwill	(174,172)	(256,940)
Depreciation of short leasehold property	(930,671)	(775,916)
Depreciation of plant and machinery (owned)	(413,422)	(348,068)
Depreciation of fixtures and fittings (owned)	(836,323)	(770,195)
Depreciation of motor vehicles (owned)	(33,356)	(53,402)
	<u>(2,387,944)</u>	<u>(2,204,521)</u>
Other expenses		
Profit/(loss) on disposal of fixed assets	(257,089)	151,507
Other interest receivable and similar income		
Bank interest receivable	898	530
Interest payable and similar expenses		
Bank interest payable	(355,797)	(257,691)
Hire purchase interest	(104,425)	(160,124)
	<u>(460,222)</u>	<u>(417,815)</u>

Oliver Bonas Limited

Detailed Company Profit and Loss Account for the Year Ended 31 December 2019

	2019 £	2018 £
Turnover (analysed below)	81,334,646	69,015,803
Cost of sales (analysed below)	<u>(35,686,586)</u>	<u>(28,737,017)</u>
Gross profit	<u>45,648,060</u>	<u>40,278,786</u>
Gross profit (%)	56.12%	58.36%
Administrative expenses		
Employment costs (analysed below)	(20,402,064)	(18,110,421)
Establishment costs (analysed below)	(15,312,104)	(13,748,791)
General administrative expenses (analysed below)	(2,661,467)	(2,404,326)
Finance charges (analysed below)	(538,072)	(544,178)
Depreciation costs (analysed below)	(2,383,132)	(2,204,521)
Other expenses (analysed below)	<u>(257,089)</u>	<u>151,507</u>
	<u>(41,553,928)</u>	<u>(36,860,730)</u>
Operating profit	<u>4,094,132</u>	<u>3,418,056</u>
Other interest receivable and similar income (analysed below)	898	530
Interest payable and similar expenses (analysed below)	<u>(460,222)</u>	<u>(417,815)</u>
	<u>(459,324)</u>	<u>(417,285)</u>
Profit before tax	<u><u>3,634,808</u></u>	<u><u>3,000,771</u></u>

Oliver Bonas Limited

Detailed Company Profit and Loss Account for the Year Ended 31 December 2019

	2019 £	2018 £
Turnover		
Sale of goods, UK	80,872,841	68,626,995
Sale of goods, rest of world	461,805	388,808
	<u>81,334,646</u>	<u>69,015,803</u>
Cost of sales		
Opening merchandise	(9,065,702)	(8,542,002)
Purchases	(37,147,754)	(29,260,716)
Closing merchandise	10,526,870	9,065,701
	<u>(35,686,586)</u>	<u>(28,737,017)</u>
Employment costs		
Wages and salaries (excluding directors)	(18,438,362)	(16,451,493)
Staff NIC (Employers)	(1,313,194)	(1,199,452)
Directors remuneration	(39,350)	(38,025)
Directors NIC (Employers)	(2,998)	(2,986)
Staff pensions (Defined contribution)	(373,685)	(210,258)
Directors pensions (Defined contribution)	(1,085)	(665)
Staff training	(87,516)	(78,407)
Staff welfare	(145,874)	(129,135)
	<u>(20,402,064)</u>	<u>(18,110,421)</u>
Establishment costs		
Rates	(3,949,624)	(3,553,614)
Rent	(9,176,497)	(8,446,996)
Light, heat and power	(554,286)	(418,413)
Insurance	(275,420)	(237,189)
Repairs and maintenance	(710,447)	(489,513)
Repairs and renewals	(645,830)	(603,066)
	<u>(15,312,104)</u>	<u>(13,748,791)</u>
General administrative expenses		
Communications Costs	(183,798)	(167,008)
Computer software and maintenance costs	(567,541)	(443,525)
Printing, postage and stationery	(298,418)	(331,558)
Courier services	(75,767)	(62,089)
Trade subscriptions	(24,187)	(23,250)
Charitable donations	(83,955)	(67,820)

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Oliver Bonas Limited

Detailed Company Profit and Loss Account for the Year Ended 31 December 2019

	2019	2018
	£	£
Hire of plant and machinery (Operating leases)	(20,715)	(25,799)
Motor expenses	(64,841)	(79,362)
Travel and subsistence	(439,645)	(467,511)
Advertising	(491,340)	(298,619)
Staff entertaining (allowable for tax)	(28,312)	(61,234)
Accountancy fees	(13,146)	(6,029)
Auditor's remuneration - The audit of the company's annual accounts	(40,000)	(40,000)
Management fees	(37,566)	(24,383)
Legal and professional fees	(427,199)	(282,977)
Foreign currency (gains)/losses - operating expense	134,963	(23,162)
	<u>(2,661,467)</u>	<u>(2,404,326)</u>
Finance charges		
Bank charges	(41,772)	(83,032)
Credit card charges	(496,300)	(461,146)
	<u>(538,072)</u>	<u>(544,178)</u>
Depreciation costs		
Amortisation of goodwill	(174,016)	(256,940)
Depreciation of short leasehold property	(930,327)	(775,916)
Depreciation of plant and machinery (owned)	(413,422)	(348,068)
Depreciation of fixtures and fittings (owned)	(832,011)	(770,195)
Depreciation of motor vehicles (owned)	(33,356)	(53,402)
	<u>(2,383,132)</u>	<u>(2,204,521)</u>
Other expenses		
Profit/(loss) on disposal of fixed assets	(257,089)	151,507
Other interest receivable and similar income		
Bank interest receivable	898	530
Interest payable and similar expenses		
Bank interest payable	(355,797)	(257,691)
Hire purchase interest	(104,425)	(160,124)
	<u>(460,222)</u>	<u>(417,815)</u>