

BOYS & BODEN LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2019

Whittingham Riddell

chartered accountants

BOYS & BODEN LIMITED

COMPANY INFORMATION

Directors	D Hammond 2013 BB Limited C M B Jones
Registered number	00215444
Registered office	Mill Lane Welshpool Powys SY21 7BL
Independent auditors	Whittingham Riddell LLP Chartered Accountants & Statutory Auditors Hafren House 5 St Giles Business Park Newtown Powys SY16 3AJ

BOYS & BODEN LIMITED

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditors' Report	5 - 7
Statement of Comprehensive Income	8
Balance Sheet	9 - 10
Statement of Changes in Equity	11
Statement of Cash Flows	12 - 13
Notes to the Financial Statements	14 - 32

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

Introduction

The Directors present their Strategic Report for the year ended 31 March 2019.

Business review

Overall the Company has had another excellent year achieving an increase in turnover of 10.5% to £33.4m, and pre-tax profits in excess of £2m for a second consecutive year, following continued growth in all parts of the business.

The Builders Merchant business has seen significant sales growth of 16.2% and continues to contribute to the Company's growth and profitability.

The Plumblin has also seen sales growth and profitability, and further growth at each location is anticipated.

Pear Stairs sales remain strong and this continues to make a significant contribution to the business.

A new division Boden Roofing was set up during the year and has had a strong first year of trading.

The Company's property portfolio has reduced following a property sale during the year which yielded a large profit on disposal. As a result rental income has decreased during the year. Some sites remain under renovation and are therefore not yet able to be let.

The Company's Balance Sheet shows an increase in net assets of £1.5m. Earnings have been invested back into the business. The Company's liquidity remains very healthy, and Net Current Assets have increased to over £5.0m.

Principal Risks and Uncertainties

The risks facing the Company are constantly monitored and assessed. The Company's business activities, financial condition and trading results could be affected by any or all of the following risks and uncertainties:

General business conditions and economy

The Directors are of the opinion that the principal risks facing the Company relate to the wider economic conditions which influence raw material cost, and the demand for its products.

The Company seeks to manage these risks by maintaining an appropriate spread of market segments and product ranges, a broad supplier base and robust production systems.

Information Systems

The Company is reliant upon a number of business systems which, if disrupted for any length of time due to damage or interruption from loss of power, failure of telecommunications, sabotage or vandalism could have an adverse effect on the efficient running of the Company's business. The business has invested in fibre broadband networks to contribute to the efficient running of the Information Technology systems. Further development of the main software system will also provide greater efficiencies in all parts of the business.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

Health and Safety

In common with all manufacturing businesses, the factory environment exposes the Company to Health and Safety risk. The Directors take the Health and Safety of its employees and any third party on its sites very seriously and are mindful of Health and Safety regulatory compliance. Consequently, they have in place stringent policies and procedures which are appropriately communicated and monitored by a designated Health and Safety Officer. The Directors are proud of the Company's excellent Health and Safety record.

Financial Key Performance Indicators

The Balance Sheet of the business remains strong and operating profits have increased over the period. The Statement of Comprehensive Income, Balance Sheet, Statement of Cash Flows and associated notes (as detailed on the following pages) adequately show the development, performance and position of the Company during the year and at the Balance Sheet date.

The Company measures its financial performance and position by reference to Key Performance Indicators (KPI's). The sales, gross profit and bank balances are monitored daily. The profit before tax is reviewed monthly.

Other Key Performance Indicators

The Company uses a suite of non-financial KPI's to monitor and measure success on a weekly basis. These KPI's cover the whole business operating spectrum and reflect the changing needs of the business from time to time.

The Company has a policy to protect the environment wherever it operates or whenever it sources materials, with KPI's being used to measure the proportion of timber purchased from forests that are well managed environmentally according to the Forest Stewardship Council (FSC) Standards.

This report was approved by the board on 24 September 2019 and signed on its behalf.

D Hammond

Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

The Directors present their report and the financial statements for the year ended 31 March 2019.

Directors' Responsibilities Statement

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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

Results and Dividends

The profit for the year, after taxation, amounted to £1,561,654 (2018 - £1,659,480).

A final dividend of £29,814 in respect of the year ended 31 March 2018 was paid during the year.

Directors

The Directors who served during the year were:

D Hammond
2013 BB Limited
C M B Jones

Future Developments

The strategic aim of the business is to continue to grow over the next ten years by continual re-investment in the business. The investments made will not be short term and will build on the Company's solid foundations.

BOYS & BODEN LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

Disclosure of Information to Auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post Balance Sheet Events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Whittingham Riddell LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

D Hammond
Director

Date: 24 September 2019

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BOYS & BODEN LIMITED

Opinion

We have audited the financial statements of Boys & Boden Limited (the 'Company') for the year ended 31 March 2019, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, 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 Company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 Auditors' 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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BOYS & BODEN LIMITED (CONTINUED)

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.

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

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

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BOYS & BODEN LIMITED (CONTINUED)

Auditors' 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 Auditors' 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 Auditors' Report.

Use of our report

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

John Fletcher BA(Hons) FCA (Senior Statutory Auditor)

for and on behalf of

Whittingham Riddell LLP

Chartered Accountants

Statutory Auditors

Hafren House

5 St Giles Business Park

Newtown

Powys

SY16 3AJ

Date: 24 September 2019

BOYS & BODEN LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Turnover	4	33,479,387	30,293,651
Cost of sales		(22,162,512)	(19,706,947)
Gross profit		11,316,875	10,586,704
Distribution costs		(1,072,214)	(902,619)
Administrative expenses		(8,872,409)	(7,851,282)
Exceptional profit on sale of tangible assets	31	479,021	-
Other operating income	5	434,141	565,144
Operating profit	6	2,285,414	2,397,947
Interest receivable and similar income	10	11,039	12,056
Interest payable and similar expenses	11	(283,490)	(355,265)
Profit before tax		2,012,963	2,054,738
Tax on profit	12	(451,309)	(395,258)
Profit for the financial year		1,561,654	1,659,480

The notes on pages 14 to 32 form part of these financial statements.

BOYS & BODEN LIMITED
REGISTERED NUMBER: 00215444

BALANCE SHEET
AS AT 31 MARCH 2019

	Note	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	14		12,685,311		10,414,551
Investments	15		2,000		10,000
Investment property	16		3,975,814		5,774,426
			<u>16,663,125</u>		<u>16,198,977</u>
Current assets					
Stocks	17	8,867,937		7,973,748	
Debtors: amounts falling due within one year	18	4,169,313		2,975,056	
Cash at bank and in hand	19	3,549		22,963	
		<u>13,040,799</u>		<u>10,971,767</u>	
Creditors: amounts falling due within one year	20	(7,874,337)		(7,251,181)	
Net current assets			<u>5,166,462</u>		<u>3,720,586</u>
Total assets less current liabilities			<u>21,829,587</u>		<u>19,919,563</u>
Creditors: amounts falling due after more than one year	21		(8,323,985)		(7,953,125)
Provisions for liabilities					
Deferred tax	25	(140,188)		(132,864)	
			<u>(140,188)</u>		<u>(132,864)</u>
Net assets			<u><u>13,365,414</u></u>		<u><u>11,833,574</u></u>

BOYS & BODEN LIMITED
REGISTERED NUMBER: 00215444

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Capital and reserves			
Called up share capital	26	35,000	35,000
ESOT reserve	27	(65,000)	(65,000)
Investment property revaluation reserve	27	-	799,979
Capital reserve	27	3,799	3,799
Profit and loss account	27	13,391,615	11,059,796
		<u>13,365,414</u>	<u>11,833,574</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

D Hammond
Director

Date: 24 September 2019

The notes on pages 14 to 32 form part of these financial statements.

BOYS & BODEN LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Called up share capital	ESOT reserve	Investment property evaluation reserve	Capital reserve	Profit and loss reserve	Total equity
	£	£	£	£	£	£
At 1 April 2017	35,000	(65,000)	799,979	3,799	9,429,245	10,203,023
	-	-	-	-	1,659,480	1,659,480
Profit for the year						
	-	-	-	-	(28,929)	(28,929)
Dividends: Equity capital						
	35,000	(65,000)	799,979	3,799	11,059,796	11,833,574
At 1 April 2018	-	-	-	-	1,561,654	1,561,654
Profit for the year						
	-	-	-	-	799,979	799,979
Disposal of investment property						
	-	-	(799,979)	-	-	(799,979)
Disposal of investment property						
	-	-	-	-	(29,814)	(29,814)
Dividends: Equity capital						
	35,000	(65,000)	-	3,799	13,391,615	13,365,414
At 31 March 2019						

The notes on pages 14 to 32 form part of these financial statements.

BOYS & BODEN LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	1,561,654	1,659,480
Adjustments for:		
Depreciation of tangible assets	1,069,326	690,640
Profit on disposal of tangible assets	(425,991)	(4,159)
Interest paid	283,490	355,265
Interest received	(11,039)	(12,056)
Taxation charge	451,309	395,258
(Increase) in stocks	(894,189)	(638,722)
(Increase)/decrease in debtors	(1,194,257)	408,296
Increase in creditors	976,810	345,011
Corporation tax (paid)	(558,509)	(292,005)
Net cash generated from operating activities	1,258,604	2,907,008
Cash flows from investing activities		
Purchase of tangible fixed assets	(3,124,083)	(615,889)
Sale of tangible fixed assets	34,580	4,159
Purchase of investment properties	(5,979)	(1,010,767)
Sale of investment properties	1,980,000	-
Interest received	11,039	12,056
HP interest paid	(32,538)	(90,859)
Net cash from investing activities	(1,136,981)	(1,701,300)

BOYS & BODEN LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

	2019 £	2018 £
Cash flows from financing activities		
Repayment of/new loans	254,542	(184,317)
Repayment of/new finance leases	151,930	(182,866)
Dividends paid	(29,814)	(28,929)
Interest paid	(250,952)	(264,406)
Net cash used in financing activities	125,706	(660,518)
Net increase in cash and cash equivalents	247,329	545,190
Cash and cash equivalents at beginning of year	(1,144,573)	(1,689,763)
Cash and cash equivalents at the end of year	(897,244)	(1,144,573)
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,549	22,963
Bank overdrafts	(900,793)	(1,167,536)
	(897,244)	(1,144,573)

The notes on pages 14 to 32 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. General information

The principal activities of the Company during the year were that of timber and builders merchants, staircase manufacturing and plumbing merchants. The Company operates in England and Wales and is a private company limited by shares and is incorporated and domiciled in the UK. The address of its registered office is Mill Lane, Welshpool, Powys, SY21 7BL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.6 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and 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.

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

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

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

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

2.9 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.10 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Plant and machinery	- 10-33% straight line
Motor vehicles	- 25% straight line
Displays	- 20-33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or 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 in the Statement of Comprehensive Income.

2.11 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each Balance Sheet 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 (CGU) 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 Balance Sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.12 Investment property

Investment Property is carried at fair value determined annually by the Directors on an open market value for existing use basis, supported from time to time, at the discretion of the Directors, by external valuers on an appropriate basis. Fair value is determined annually by the Directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.13 Valuation of investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.14 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 include labour and attributable overheads.

At each Balance Sheet date, stocks are assessed for impairment. If stock 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.

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.19 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the Balance Sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. 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 the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The Company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.20 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. In the opinion of the Directors there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

4. Turnover

The whole of the turnover is attributable to the activity of timber and builders merchants, staircase manufacturing and plumbing merchants.

All turnover arose within the United Kingdom.

5. Other operating income

	2019 £	2018 £
Other operating income	369,954	518,468
Sundry income	64,187	46,676
	<u>434,141</u>	<u>565,144</u>

6. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Exchange differences	(46,051)	(17,249)
Other operating lease rentals	<u>78,141</u>	<u>87,327</u>

7. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	<u>12,625</u>	<u>12,150</u>

BOYS & BODEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

8. Employees

Staff costs, including Directors' remuneration, were as follows:

	2019 £	2018 £
Wages and salaries	6,232,372	5,620,023
Social security costs	564,997	511,995
Cost of defined contribution scheme	129,370	109,344
	<u>6,926,739</u>	<u>6,241,362</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2019 No.	2018 No.
Cost of sales, selling and distribution	46	45
Administration	191	183
	<u>237</u>	<u>228</u>

9. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	66,798	73,203
Company contributions to defined contribution pension schemes	3,161	3,660
	<u>69,959</u>	<u>76,863</u>

During the year retirement benefits were accruing to 1 Director (2018 - 1) in respect of defined contribution pension schemes.

The Managing Director, IT Manager and Financial Director are considered to be the key management personnel of the Company.

BOYS & BODEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

10. Interest receivable

	2019 £	2018 £
Other interest receivable	11,039	12,056
	<u>11,039</u>	<u>12,056</u>

11. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	250,952	264,406
Finance leases and hire purchase contracts	32,538	90,859
	<u>283,490</u>	<u>355,265</u>

12. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	446,094	373,746
Adjustments in respect of previous periods	(2,109)	-
	<u>443,985</u>	<u>373,746</u>
Deferred tax		
Origination and reversal of timing differences	<u>7,324</u>	<u>21,512</u>
	<u>451,309</u>	<u>395,258</u>
Taxation on profit on ordinary activities		

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

12. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>2,012,964</u>	<u>2,054,738</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	382,463	390,400
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	11,147	5,712
Fixed asset differences	(43,822)	16,945
Adjustments to tax charge in respect of prior periods	(2,088)	-
Other timing differences leading to an increase (decrease) in taxation	(883)	(2,531)
Enhanced expenditure reliefs	(17,634)	(15,268)
Chargeable gains	122,126	-
Total tax charge for the year	<u><u>451,309</u></u>	<u><u>395,258</u></u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

13. Dividends paid in the year

	2019 £	2018 £
Ordinary	<u>29,814</u>	28,929
	<u><u>29,814</u></u>	<u><u>28,929</u></u>

BOYS & BODEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

14. Tangible fixed assets

	Freehold & leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 April 2018	9,620,742	4,698,152	1,709,410	565,964	16,594,268
Additions	2,166,298	375,294	418,468	164,023	3,124,083
Disposals	(194,407)	(74,838)	(159,014)	-	(428,259)
Transfers from investment property (note 16)	303,613	-	-	-	303,613
At 31 March 2019	11,896,246	4,998,608	1,968,864	729,987	19,593,705
Depreciation					
At 1 April 2018	1,246,960	3,858,088	1,074,669	-	6,179,717
Charge for the year on owned assets	166,746	337,223	56,832	145,213	706,014
Charge for the year on financed assets	-	86,709	276,603	-	363,312
Disposals	(112,772)	(71,211)	(156,666)	-	(340,649)
At 31 March 2019	1,300,934	4,210,809	1,251,438	145,213	6,908,394
Net book value					
At 31 March 2019	10,595,312	787,799	717,426	584,774	12,685,311
At 31 March 2018	8,373,782	840,064	634,741	565,964	10,414,551

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019 £	2018 £
Plant and machinery	360,097	98,111
Motor vehicles	451,184	443,420
	811,281	541,531

BOYS & BODEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

15. Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 April 2018	10,000
Amounts written off	(8,000)
	<u>2,000</u>
At 31 March 2019	<u>2,000</u>

16. Investment property

	Freehold investment property £
Valuation	
At 1 April 2018	5,774,426
Additions at cost	5,979
Disposals	(1,500,978)
Transfers to tangible fixed assets (note 14)	(303,613)
	<u>3,975,814</u>
At 31 March 2019	<u>3,975,814</u>

Investment Property is carried at fair value determined annually by the Directors on an open market value for existing use basis, supported from time to time, at the discretion of the Directors, by external valuers on an appropriate basis.

	2019 £	2018 £
Revaluation reserves		
At 1 April 2018	799,979	799,979
Net deficit in movement properties	(799,979)	-
	<u>-</u>	<u>799,979</u>
At 31 March 2019	<u>-</u>	<u>799,979</u>

Following disposal of investment property during the year, the revaluation reserve has been written off during the year.

BOYS & BODEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

17. Stocks

	2019 £	2018 £
Raw materials and consumables	878,284	707,380
Finished goods and goods for resale	7,989,653	7,266,368
	<u>8,867,937</u>	<u>7,973,748</u>

Included within the Statement of Comprehensive Income is stock expenditure of £24,079,357 (2018: £21,384,388).

18. Debtors

	2019 £	2018 £
Trade debtors	3,905,952	2,742,782
Other debtors	91,923	25,630
Prepayments and accrued income	171,438	206,644
	<u>4,169,313</u>	<u>2,975,056</u>

19. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	3,549	22,963
Less: bank overdrafts	(900,793)	(1,167,536)
	<u>(897,244)</u>	<u>(1,144,573)</u>

BOYS & BODEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

20. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank overdrafts	900,793	1,167,536
Bank loans	456,866	370,066
Trade creditors	4,558,275	3,325,029
Corporation tax	259,222	373,746
Other taxation and social security	499,714	537,310
Obligations under finance lease and hire purchase contracts	277,861	329,048
Other creditors	51,437	40,500
Accruals and deferred income	870,169	1,107,945
	<u>7,874,337</u>	<u>7,251,180</u>

The following liabilities were secured:

	2019 £	2018 £
Bank overdrafts	900,793	1,167,536
Bank loans	456,866	370,066
Obligations under finance lease and hire purchase contracts	277,861	329,048
	<u>1,635,520</u>	<u>1,866,650</u>

Details of security provided:

Bank overdrafts and loans are secured by fixed and floating charges over the undertaking and all property and assets present and future including goodwill, book debts, uncalled capital, buildings, fixtures, plant and machinery.

Obligations under finance lease and hire purchase contracts are secured upon the assets to which they relate.

BOYS & BODEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

21. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Bank loans	7,839,983	7,672,240
Net obligations under finance leases and hire purchase contracts	484,002	280,885
	<u>8,323,985</u>	<u>7,953,125</u>

The following liabilities were secured:

	2019 £	2018 £
Bank loans	7,839,983	7,672,240
Net obligations under finance leases and hire purchase contracts	484,002	280,885
	<u>8,323,985</u>	<u>7,953,125</u>

Details of security provided:

Details are provided above in Note 20.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

22. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year		
Bank loans	456,866	370,066
	<u>456,866</u>	<u>370,066</u>
Amounts falling due 1-2 years		
Bank loans	468,002	377,317
	<u>468,002</u>	<u>377,317</u>
Amounts falling due 2-5 years		
Bank loans	2,997,952	1,187,585
	<u>2,997,952</u>	<u>1,187,585</u>
Amounts falling due after more than 5 years		
Bank loans	4,374,029	6,107,338
	<u>4,374,029</u>	<u>6,107,338</u>
	<u><u>8,296,849</u></u>	<u><u>8,042,306</u></u>

23. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	277,861	329,048
Between 1-5 years	484,002	280,885
	<u>761,863</u>	<u>609,933</u>

BOYS & BODEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

24. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>3,999,874</u>	<u>2,778,412</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(14,215,384)</u>	<u>(13,313,250)</u>

Financial assets measured at amortised cost comprise investments and trade and other debtors.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade and other creditors, and accruals.

25. Deferred taxation

	2019 £
At beginning of year	(132,864)
Charged to profit or loss	(7,324)
At end of year	<u><u>(140,188)</u></u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(144,108)	(137,123)
Short term timing differences	3,920	4,259
	<u><u>(140,188)</u></u>	<u><u>(132,864)</u></u>

BOYS & BODEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

26. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
588,120 (2018 - 588,120) Ordinary A shares of £0.05 each	29,406	29,406
111,880 (2018 - 111,880) Ordinary B shares of £0.05 each	5,594	5,594
	<u>35,000</u>	<u>35,000</u>

27. Reserves

Investment property revaluation reserve

The Investment property revaluation reserve represented accumulated revaluation surpluses/deficits since incorporation. Following disposal of investment property during the year, the revaluation reserve has been written off during the year.

ESOT reserve

The ESOT reserve is a trust set up by the Company to issue shares to employees at the trustees' discretion.

Within the trust are 104,170 5p ordinary A shares held at the market value at the date the trust was set up.

Capital reserve

The Capital reserve represents the nominal value of shares redeemed by the Company.

Profit and loss reserve

The Profit and loss reserve represents accumulated undistributed profits/losses since incorporation.

28. Capital commitments

At 31 March 2019 the Company had capital commitments as follows:

	2019 £	2018 £
Contracted for but not provided in these financial statements	124,036	-
	<u>124,036</u>	<u>-</u>

BOYS & BODEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

29. Pension commitments

The Company operates a defined contribution pension scheme for the benefit of employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge for the year was £129,370 (2018: £109,344). Contributions totalling £23,061 (2018: £25,051) were payable to the fund at the Balance Sheet date and are included in creditors.

30. Commitments under operating leases

At 31 March 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	91,457	78,141
Later than 1 year and not later than 5 years	75,197	65,437
	<u>166,654</u>	<u>143,578</u>

31. Exceptional items

	2019 £	2018 £
Exceptional profit on sale of tangible assets	479,021	-
	<u>479,021</u>	<u>-</u>

32. Controlling party

The Company is under the control of Mr D Hammond, Director, who owns 65% of the issued share capital of the Company.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.