

**BOYS & BODEN LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**



*WR*  
**Whittingham Riddell**  
*chartered accountants*

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**BOYS & BODEN LIMITED**

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**COMPANY INFORMATION**

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

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**BOYS & BODEN LIMITED**

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## **BOYS & BODEN LIMITED**

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### **STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2017**

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#### **Introduction**

The Directors present their Strategic Report for the year ended 31 March 2017.

#### **Business Review**

Overall the Company has had another excellent year achieving a significant increase in turnover mainly as a result of steadily growing sales at the Chester branch which opened in June 2016. The increased level of profitability is particularly pleasing, especially as the Chester branch had not become profitable until after the year end.

Boys & Boden Builders' Merchants has increased its gross profit due to increased sales making a greater contribution this year. It is expected to see a growth in sales and improved margins during the coming year as the branch in Chester consolidates the impressive start that it has made.

The Plumblin has similarly increased its gross profit making a significantly greater contribution this year due to increased sales. Further growth at each location is anticipated.

Pear Stairs has maintained its growth in sales and profitability, and continues to benefit from the unique 3D StairCreator facility on the Pear Stairs website, which enables present and future customers to design and price their staircases. The sale of stair parts over the internet has continued to increase significantly. The trend of growing sales and profitability of Pear Stairs continues to make a significant contribution to the overall success of the business.

The Company's rental income from properties has increased during the year as a result of continued extensive refurbishment work being completed.

Continued investment in information technology is giving greater efficiencies in the administration of the business.

#### **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, pricing and the demand for its products.

The Company seeks to manage these risks by maintaining an appropriate spread of market segments, product range, supplier base and 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. As part of its Business Continuity Plan the Company has put in place a number of contingency plans, utilising the Company's multi-site set-up, to ensure that such system failures could not adversely affect the efficient running of the Company's business.

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## BOYS & BODEN LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

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#### Health and Safety

In common with all manufacturing businesses, the factory environment exposes the Company to health and safety risks. 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 Profit & Loss Account, Balance Sheet, Cash Flow Statement and associated notes (as detailed on the following pages) adequately show the development, performance and position of the Company over the course of the year.


The Company measures its financial performance and position by reference to key performance indicators. 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 which cover the whole business operating spectrum, reflecting the changing needs of the business.

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

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

 19/DEC/2017.

**D Hammond**  
Director

Date: 19 December 2017

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## BOYS & BODEN LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

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The directors present their report and the financial statements for the year ended 31 March 2017.

#### 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 £1,109,286 (2016 - £609,715).

The Directors propose a dividend of £28,862 for both Ordinary A and Ordinary B shares.

#### Directors

The Directors who served during the year were:

D Hammond  
2013 BB Limited  
C M B Jones

#### Future Developments

Overall 2016-17 has been an excellent year and the Company's projections suggest that 2017-18 will also be a good year with further growth predicted.

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**BOYS & BODEN LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2017**

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**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.

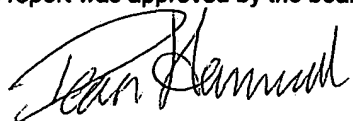
**Post Balance Sheet Events**

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.

 19/DEC/2017.

D Hammond  
Director

Date: 19 December 2017

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## **BOYS & BODEN LIMITED**

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

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We have audited the financial statements of Boys & Boden Limited for the year ended 31 March 2017, set out on pages 7 to 31. The relevant financial reporting framework that has been applied in their preparation is applicable law and the 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'.

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.

#### **Respective responsibilities of Directors and Auditors**

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 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.



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**BOYS & BODEN LIMITED**

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

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

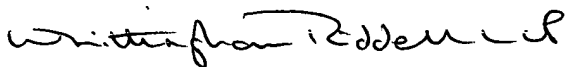
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our 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 and the Directors' report.

**Matters on which we are required to report by exception**

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

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



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

19 December 2017

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**BOYS & BODEN LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2017**

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	Note	2017 £	2016 £
Turnover	4	26,816,544	21,845,396
Cost of sales		(18,057,773)	(14,398,632)
<b>Gross profit</b>		<b>8,758,771</b>	<b>7,446,764</b>
Distribution costs		(472,445)	(331,255)
Administrative expenses		(7,134,033)	(6,147,654)
Exceptional administrative expenses		-	(595,579)
Other operating income	5	538,614	551,438
<b>Operating profit</b>	6	<b>1,690,907</b>	<b>923,714</b>
Interest receivable and similar income	10	13,541	14,020
Interest payable and expenses	11	(339,316)	(223,140)
<b>Profit before tax</b>		<b>1,365,132</b>	<b>714,594</b>
Tax on profit	12	(255,846)	(104,879)
<b>Profit for the financial year</b>		<b>1,109,286</b>	<b>609,715</b>

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 14 to 31 form part of these financial statements.

**BOYS & BODEN LIMITED**  
**REGISTERED NUMBER: 00215444**

**BALANCE SHEET**  
**AS AT 31 MARCH 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	15	9,999,897	9,917,308
Investments	16	10,000	-
Investment property	17	4,763,658	4,498,502
		<u>14,773,555</u>	<u>14,415,810</u>
<b>Current assets</b>			
Stocks	18	7,900,990	6,975,663
Debtors: amounts falling due within one year	19	3,383,352	2,577,192
Cash at bank and in hand	20	10,864	10,571
		<u>11,295,206</u>	<u>9,563,426</u>
Creditors: amounts falling due within one year	21	(7,419,740)	(6,222,393)
<b>Net current assets</b>		<u>3,875,466</u>	<u>3,341,033</u>
<b>Total assets less current liabilities</b>		<u>18,649,021</u>	<u>17,756,843</u>
Creditors: amounts falling due after more than one year	22	(8,334,646)	(8,487,776)
<b>Provisions for liabilities</b>			
Deferred tax	26	(111,352)	(147,578)
		<u>(111,352)</u>	<u>(147,578)</u>
<b>Net assets</b>		<u><u>10,203,023</u></u>	<u><u>9,121,489</u></u>

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**BOYS & BODEN LIMITED**  
**REGISTERED NUMBER: 00215444**

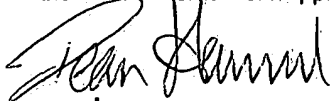
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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2017**

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	Note	2017 £	2016 £
<b>Capital and reserves</b>			
Called up share capital	27	35,000	35,000
Share premium account	28	(65,000)	(65,000)
Investment property reserve	28	799,979	799,979
Other reserves	28	3,799	3,799
Profit and loss account	28	9,429,245	8,347,711
		<u>10,203,023</u>	<u>9,121,489</u>

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

 19/DEC/2017  
**D Hammond**  
Director

Date: 19 December 2017

The notes on pages 14 to 31 form part of these financial statements.

**BOYS & BODEN LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2017**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Investment property revaluation reserve</b>	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 April 2016</b>	<b>35,000</b>	<b>(65,000)</b>	<b>799,979</b>	<b>3,799</b>	<b>8,347,711</b>	<b>9,121,489</b>
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	1,109,286	1,109,286
<b>Other comprehensive income for the year</b>	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	-	1,109,286	1,109,286
Dividends: Equity capital	-	-	-	-	(27,752)	(27,752)
<b>Total transactions with owners</b>	-	-	-	-	(27,752)	(27,752)
<b>At 31 March 2017</b>	<b>35,000</b>	<b>(65,000)</b>	<b>799,979</b>	<b>3,799</b>	<b>9,429,245</b>	<b>10,203,023</b>

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**BOYS & BODEN LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2016**

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	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Investment property revaluation reserve</b>	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£	£	£	£
At 1 April 2015	35,000	(65,000)	799,979	3,799	7,765,311	8,539,089
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	609,715	609,715
<b>Other comprehensive income for the year</b>	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	-	609,715	609,715
Dividends: Equity capital	-	-	-	-	(27,315)	(27,315)
<b>Total transactions with owners</b>	-	-	-	-	(27,315)	(27,315)
<b>At 31 March 2016</b>	<b>35,000</b>	<b>(65,000)</b>	<b>799,979</b>	<b>3,799</b>	<b>8,347,711</b>	<b>9,121,489</b>

The notes on pages 14 to 31 form part of these financial statements.

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**BOYS & BODEN LIMITED**

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2017**

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	2017 £	2016 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	1,109,286	609,715
<b>Adjustments for:</b>		
Depreciation of tangible assets	809,062	681,921
Loss on disposal of tangible assets	7,234	(36,777)
Government grants	-	(8,685)
Interest paid	339,316	223,140
Interest received	(13,541)	(14,020)
Taxation charge	255,846	104,879
(Increase) in stocks	(925,327)	(2,036,137)
(Increase) in debtors	(806,160)	(182,607)
Increase in creditors	172,862	1,127,472
Corporation tax (paid)	(32,842)	(165,477)
<b>Net cash generated from operating activities</b>	<b>915,736</b>	<b>303,424</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(902,451)	(2,998,522)
Sale of tangible fixed assets	3,566	50,277
Purchase of investment properties	(265,156)	(55,062)
Purchase of unlisted and other investments	(10,000)	-
Government grants received	-	8,685
Interest received	13,541	14,020
HP interest paid	(5,628)	(5,628)
<b>Net cash from investing activities</b>	<b>(1,166,128)</b>	<b>(2,986,230)</b>

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**BOYS & BODEN LIMITED**

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**STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2017**

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	2017 £	2016 £
<b>Cash flows from financing activities</b>		
Repayment of / New loans	168,401	3,259,197
Repayment of / New finance leases	(360,391)	580,829
Dividends paid	(27,752)	(27,315)
Interest paid	(333,688)	(217,512)
	<hr/>	<hr/>
<b>Net cash used in financing activities</b>	<b>(553,430)</b>	<b>3,595,199</b>
	<hr/>	<hr/>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(803,822)</b>	<b>912,393</b>
Cash and cash equivalents at beginning of year	(885,941)	(1,798,334)
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of year</b>	<b>(1,689,763)</b>	<b>(885,941)</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	10,864	10,571
Bank overdrafts	(1,700,627)	(896,512)
	<hr/>	<hr/>
	<b>(1,689,763)</b>	<b>(885,941)</b>
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The notes on pages 14 to 31 form part of these financial statements.



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## BOYS & BODEN LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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#### 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 noted on the reference and administration page.

#### 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 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.

##### 2.3 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.

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## BOYS & BODEN LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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#### 2. Accounting policies (continued)

##### 2.3 Tangible fixed assets (continued)

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	- 0-4% straight line
Plant and machinery	- 10-33% straight line
Motor vehicles	- 25% 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.

##### 2.4 Investment property

Investment property is carried at fair value determined annually by external valuers 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.

##### 2.5 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.

##### 2.6 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.

##### 2.7 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.

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## BOYS & BODEN LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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#### 2. Accounting policies (continued)

##### 2.8 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.

##### 2.9 Financial instruments

The Company only enters into basic financial instruments 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 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.

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## BOYS & BODEN LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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#### 2. Accounting policies (continued)

##### 2.10 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.

##### 2.11 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of comprehensive income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

##### 2.12 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'.

##### 2.13 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.

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**BOYS & BODEN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**2. Accounting policies (continued)**

**2.14 Dividends**

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

**2.15 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.

**2.16 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.

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## BOYS & BODEN LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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#### 2. Accounting policies (continued)

##### 2.17 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.

##### 2.18 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.

#### 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.

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**BOYS & BODEN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**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**

	2017 £	2016 £
Other operating income	457,214	491,279
Government grants receivable	-	8,685
Sundry income	81,400	51,474
	<u>538,614</u>	<u>551,438</u>

**6. Operating profit**

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	809,062	666,663
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	11,975	11,250
Exchange differences	(119)	-
Other operating lease rentals	8,548	7,303
Defined contribution pension cost	98,270	83,921
	<u>928,846</u>	<u>869,147</u>

**7. Auditors' remuneration**

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	11,975	11,525
	<u>11,975</u>	<u>11,525</u>

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**BOYS & BODEN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**8. Employees**

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

	2017 £	2016 £
Wages and salaries	5,267,494	4,646,994
Social security costs	487,911	472,177
Cost of defined contribution scheme	98,270	83,921
	<u>5,853,675</u>	<u>5,203,092</u>

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

	2017 No.	2016 No.
Cost of Sales	170	144
Administration	47	52
	<u>217</u>	<u>196</u>

**9. Directors' remuneration**

	2017 £	2016 £
Directors' emoluments	71,412	93,529
Company contributions to defined contribution pension schemes	3,571	4,676
	<u>74,983</u>	<u>98,205</u>

During the year retirement benefits were accruing to 1 director (2016 - 1) in respect of defined contribution pension schemes.

The directors are considered to constitute the key management personnel of the Company.

**10. Interest receivable**

	2017 £	2016 £
Other interest receivable	13,541	14,020
	<u>13,541</u>	<u>14,020</u>



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**BOYS & BODEN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**11. Interest payable and similar charges**

	2017 £	2016 £
Bank interest payable	333,688	217,512
Finance leases and hire purchase contracts	5,628	5,628
	<u>339,316</u>	<u>223,140</u>

**12. Taxation**

	2017 £	2016 £
<b>Corporation tax</b>		
Current tax on profits for the year	292,072	32,842
Adjustments in respect of previous periods	-	(22,667)
	<u>292,072</u>	<u>10,175</u>
<b>Total current tax</b>	<u>292,072</u>	<u>10,175</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(28,027)	80,792
Changes to tax rates	(8,199)	(7,421)
Adjustments in respect of prior periods	-	21,333
	<u>(36,226)</u>	<u>94,704</u>
<b>Total deferred tax</b>	<u>(36,226)</u>	<u>94,704</u>
<b>Taxation on profit on ordinary activities</b>	<u>255,846</u>	<u>104,879</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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

The tax assessed for the year is higher than (2016 - lower than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>1,365,132</u>	<u>714,594</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	273,026	142,919
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,063	2,507
Capital allowances for year in excess of depreciation	16,187	10,882
Adjustments to tax charge in respect of prior periods	-	(1,334)
Other timing differences leading to an increase (decrease) in taxation	(3,252)	(16,398)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(34,178)	(33,697)
Total tax charge for the year	<u>255,846</u>	<u>104,879</u>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**13. Dividends**

	2017 £	2016 £
Ordinary	<u>27,752</u>	<u>27,315</u>
	<u>27,752</u>	<u>27,315</u>

**BOYS & BODEN LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**14. Exceptional items**

	2017 £	2016 £
Remediation work undertaken at Chester	-	595,579
	<u>-</u>	<u>595,579</u>

**15. Tangible fixed assets**

	Freehold property £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 April 2016	9,044,238	5,082,741	1,454,632	15,581,611
Additions	494,329	223,347	184,775	902,451
Disposals	-	(3,847)	(9,425)	(13,272)
At 31 March 2017	<u>9,538,567</u>	<u>5,302,241</u>	<u>1,629,982</u>	<u>16,470,790</u>
<b>Depreciation</b>				
At 1 April 2016	1,076,841	4,009,239	578,223	5,664,303
Charge for the year on owned assets	80,935	394,885	48,635	524,455
Charge for the year on financed assets	-	55,200	229,407	284,607
Disposals	-	(933)	(1,539)	(2,472)
At 31 March 2017	<u>1,157,776</u>	<u>4,458,391</u>	<u>854,726</u>	<u>6,470,893</u>
<b>Net book value</b>				
At 31 March 2017	<u>8,380,791</u>	<u>843,850</u>	<u>775,256</u>	<u>9,999,897</u>
At 31 March 2016	<u>7,967,397</u>	<u>1,073,502</u>	<u>876,409</u>	<u>9,917,308</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**15. Tangible fixed assets (continued)**

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

	2017 £	2016 £
Plant and machinery	115,004	166,981
Motor vehicles	608,982	770,503
	<u>723,986</u>	<u>937,484</u>

**16. Fixed asset investments**

	Unlisted investments £
<b>Cost or valuation</b>	
Additions	10,000
At 31 March 2017	<u>10,000</u>
<b>Net book value</b>	
At 31 March 2017	<u>10,000</u>
At 31 March 2016	<u>-</u>

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**BOYS & BODEN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**17. Investment property**

	Freehold investment property £
<b>Valuation</b>	
At 1 April 2016	4,498,502
Additions at cost	265,156
<b>At 31 March 2017</b>	<b>4,763,658</b>

The 2017 valuations were made by the directors, on an open market value for existing use basis.

	2017 £	2016 £
<b>Revaluation reserves</b>		
At 1 April 2016	799,979	799,979
<b>At 31 March 2017</b>	<b>799,979</b>	<b>799,979</b>

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2017 £	2016 £
Historic cost	3,963,679	3,698,523
	<b>3,963,679</b>	<b>3,698,523</b>

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**BOYS & BODEN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**18. Stocks**

	2017 £	2016 £
Raw materials and consumables	650,711	705,174
Finished goods and goods for resale	7,250,279	6,270,489
	<u>7,900,990</u>	<u>6,975,663</u>

Included within the Income Statement is stock expenditure of £18,637,558 (2016: £14,769,849).

**19. Debtors**

	2017 £	2016 £
Trade debtors	3,109,320	2,276,131
Other debtors	274,032	301,061
	<u>3,383,352</u>	<u>2,577,192</u>

**20. Cash and cash equivalents**

	2017 £	2016 £
Cash at bank and in hand	10,864	10,571
Less: bank overdrafts	(1,700,627)	(896,512)
	<u>(1,689,763)</u>	<u>(885,941)</u>

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**BOYS & BODEN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**21. Creditors: Amounts falling due within one year**

	2017 £	2016 £
Bank overdrafts	1,700,627	896,512
Bank loans	344,270	331,864
Trade creditors	2,711,625	2,666,876
Corporation tax	292,005	32,775
Other taxation and social security	571,182	230,577
Obligations under finance lease and hire purchase contracts	340,505	391,771
Other creditors	38,106	82,586
Accruals and deferred income	1,421,420	1,589,432
	<u>7,419,740</u>	<u>6,222,393</u>

**22. Creditors: Amounts falling due after more than one year**

	2017 £	2016 £
Bank loans	7,882,352	7,726,357
Net obligations under finance leases and hire purchase contracts	452,294	761,419
	<u>8,334,646</u>	<u>8,487,776</u>

**Secured loans**

The bank borrowing is secured by fixed and floating charges over certain assets. The finance lease assets are secured against the assets to which they relate.

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**BOYS & BODEN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**23. Loans**

Analysis of the maturity of loans is given below:

	2017 £	2016 £
<b>Amounts falling due within one year</b>		
Bank loans	344,270	331,864
	<u>344,270</u>	<u>331,864</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	368,409	339,917
	<u>368,409</u>	<u>339,917</u>
<b>Amounts falling due 2-5 years</b>		
Bank loans	1,159,545	1,070,047
	<u>1,159,545</u>	<u>1,070,047</u>
<b>Amounts falling due after more than 5 years</b>		
Bank loans	6,354,398	6,316,393
	<u>6,354,398</u>	<u>6,316,393</u>
	<u><u>8,226,622</u></u>	<u><u>8,058,221</u></u>

**24. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Within one year	319,879	391,771
Between 1-2 years	319,879	319,879
Between 2-5 years	153,041	441,540
	<u>792,799</u>	<u>1,153,190</u>



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**BOYS & BODEN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**25. Financial instruments**

	2017 £	2016 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	3,410,365	2,577,192
	<u>3,410,365</u>	<u>2,577,192</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(14,098,400)	(13,284,942)
	<u>(14,098,400)</u>	<u>(13,284,942)</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.

**26. Deferred taxation**

	2017 £
At beginning of year	(147,578)
Charged to profit or loss	36,226
<b>At end of year</b>	<u>(111,352)</u>

The provision for deferred taxation is made up as follows:

	2017 £
Accelerated capital allowances	(115,462)
Short term timing differences	4,110
	<u>(111,352)</u>

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**BOYS & BODEN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**27. Share capital**

	2017 £	2016 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
588,120 Ordinary A shares of £0.05 each	29,406	29,406
111,880 Ordinary B shares of £0.05 each	5,594	5,594
	<u>35,000</u>	<u>35,000</u>

**28. Reserves**

**Other reserves**

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

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

**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 £98,270 (2016: £83,921). Contributions totalling £24,173 (2016: £20,680) were payable to the fund at the balance sheet date and included in creditors.

**30. Commitments under operating leases**

At 31 March 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	87,327	72,177
Later than 1 year and not later than 5 years	104,358	94,370
	<u>191,685</u>	<u>166,547</u>

**31. Controlling party**

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