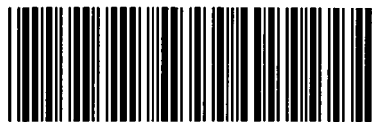


Registered number: 01187672

BOSE LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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BOSE LIMITED

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BOSE LIMITED

COMPANY INFORMATION

Directors

V Thoenen
J P Brosnahan

Registered number

01187672

Registered office

Bose House Quayside
Chatham Maritime
Chatham
Kent
ME4 4QZ

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants & Statutory Auditor
The Portland Building
25 High Street
Gatwick
RH10 1BG

BOSE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present the Strategic Report of Bose Limited (the "Company") for the year ended 31 March 2021.

Principal activities and business review

Bose Limited sells and markets its consumer electronics products through multiple channels, including wholesale, direct e-commerce. During the current financial year Bose Limited closed all remaining retail stores, which had been mostly shut due to covid lockdown restrictions. Furthermore, we distribute our Professional Systems Division products through a network of authorised Pro Partners capable of both sales and installations.

Our revenue is primarily driven by our consumer electronics products, including headphones, personal portable speakers (Bluetooth), smart speakers (Wi-Fi and VPA enabled) and audio-for-video systems (soundbars and home theatre). We anticipate that our headphones will continue to drive growth, especially in noise cancelling and true wireless in-Ear (TWIE) categories. Personal Portable Speakers (such as our Sound Link products) and Smart Speakers (for example our Home Speaker 500) are expected to maintain market share. Our popular audio-for-video products (including our Soundbar 700 and New Smart Soundbar 300) continue to show a stable market share.

Future development

In previous years our marketing efforts focused on our headphones, with strong results, especially with products such as the Bose Noise Cancelling Headphones 700. Bose will continue to focus on the headphones sales and expand the product range with the introduction of new products, such as the sports Earbuds 500 and QuietComfort Earbuds – while our popular Frames audio sunglasses will be available in 3 new styles, all with touch controls.

Furthermore, we will continue to invest our presence in personal wellness products, such as the new Sleepbuds II that are a unique product in a growing market. Our Professional Systems Division are releasing a new range of products for the workplace (including the Video bar VB1 and our first unified communications headset).

Business environment

Current market conditions are difficult due to Brexit and Covid-19 in this financial year. We have seen a decline in consumer confidence on spending, due to Brexit which put pressure on the overall economy, and declining sales. In the market an increase in competition is visible with multiple electronic companies with comparable product ranges. Bose Limited will continue to focus on strengthening the current product division and attracting new customers through innovations and new product launches.

Strategy

Due to the current circumstances around Covid-19 and Brexit, our main strategy is to sustain the current revenue target and to focus on our Bluetooth Headphones portfolio and related product introductions. Bose introduced a new Premium Wi-Fi and VPA-enabled sound bar to further diversify the portfolio, and also to create and introduce new products in the wellness and wearables segment. Having a product portfolio heavily dominated by connected products also enables us to deliver more personalised experiences for our customers. Bose as a company focuses on retaliating the impacts of the Covid-19 pandemic and is confident that appropriate measures are being taken to be the continued strong company.

Principal risks and uncertainties

We continue to operate in a market place that is fast moving and where the consumer is always looking for the latest technology, as such we can be susceptible to changes in consumer demands. To mitigate this risk we are committed to ensuring our brand maintains its aspiration nature and has strong visibility in the market.

With a relatively small portfolio of product categories it is important for our success that all categories show positive trends in sales volumes. Mobile sound is fast becoming the main staple of our business with solid demand for headphones and increasing demand for small speakers that operate 'wirelessly'. Whilst these are high volume, fast selling products, lower margins make it imperative we achieve substantial volume growth.

BOSE LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Directors' statement of compliance with duty to promote the success of the Company

Our Purpose

Bose Limited aims to deliver exceptional services, products and technologies that people rely on to enjoy a better quality of life. Through innovation, partnership, effective delivery and the collaboration of our people, we constantly strive to help set industry standards, engender trust and build our reputation for excellence.

The Board's approach to section 172 and decision making

Collectively the Board of Directors (the "Board"), are responsible for the effective oversight of the Company and have implemented a governance structure to support the long-term success of the Group and the Company to deliver sustainable value.

The Board meets regularly, a minimum of 10 times per year, and receives board papers, presentations, project updates and proposals in relation to all key issues and decisions of the business including Operations, Commercial, Quality, Human Resources, Project Management (PMO), Finance, Environmental Social & Governance (ESG) and IT. The relevant members of the Senior Leadership Team (SLT) responsible for these functions regularly attend board meetings.

The Board uses these materials as the basis to consider and discuss both key strategic and tactical decisions, taking account of their likely long-term impact on the activities and success of the business and on its key stakeholders where relevant.

The Board worked closely with COVID-19 task force on the latest development in country and have been able to advise on necessary measures to meet local government guidance on wider lockdown and made significant changes in terms of employee wellbeing in this difficult time. Work from home was introduced for all divisions, store closures where necessary, and making sure Bose products are available through other distribution channels to our customers.

The Board has approved and implemented several policies which govern and promote effective corporate and social responsibilities, such as the Environmental, Social and Governance policy, Anti-Bribery and Corruption policy, Gender Pay Gap reporting, Modern Slavery policy, Data Privacy policy, Social Media policy and various Codes of Conduct (for Employees, Suppliers, Customers & Communities).

BOSE LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Stakeholder engagement

The Board acknowledges that the long-term success of the Group is dependent on the way it works with several important stakeholders. Key stakeholders are considered in their decision making and in doing so ensure the directors' duty is discharged under section 172 of the Companies Act 2006.

Customers

Customers are proactively engaged through our global presence in order to build long standing relationships and deliver high standards of service. We also have dedicated Customer Service teams to ensure we have met our customers' needs and expectations.

Our Internal and Compliance team ensure that we achieve customer quality requirements and that we conform to all applicable regulatory requirements. Each team their success against this primary objective via a range of processes, which include customer satisfaction surveys and customer site audits. Bose continued to invest in our commercial function in order to support our customers' needs.

Our sales teams are now structured on a regional basis with specialist knowledge across the range of our products and services, supported by dedicated product managers, to ensure that we can provide the highest level of service and care to our customers.

Suppliers

Our Supply Chain is characterised by formal supply contracts of critical raw materials from across the world and these contracts are often governed by formal performance and service level criteria. We have a dedicated global Supply Chain function who continuously engage with suppliers to ensure we build effective relationships.

Bose is committed to maintaining the highest possible standards of integrity and trust in our business relationship with suppliers, and in turn, looks for suppliers and contractors who operate with values and standards like ours.

Monthly reports are provided by the Supply Chain team, which detail our performance against KPI's and our suppliers' needs.

Employees

The Board recognises that the ability to retain talented and committed employees contributes significantly to the success of the Group and launched several initiatives throughout 2020 and 2021 to further improve the employee experience at Bose.

Engagement with employees takes many forms including surveys, formal and informal meetings and regular email communications. Bose Limited, and members of the Leadership Team, hold monthly "Town Hall" meetings where they present to employees on the performance of the business and discuss the strategy for the year ahead. The Town Hall meetings also provide an opportunity for employees to ask questions to the Leadership Team and senior management.

The Group has launched employee forums, which are employee representative bodies that discuss employee, social and wellbeing initiatives, propose new ideas, lead charity fundraising events and help improve site-wide communication. Future plans include employee experience and mountaineering programme.

Monthly reports and KPIs are provided by the HR team, which detail our performance against KPI's and employee engagement.

Community

Our global presence allows Bose to play a part in many communities across the world and we always aim to operate safely and effectively within each local community. Building relationships with the local community continues to be important to Bose.

Bose carries out fundraising work for charities in the UK, and our employees have held several fundraising events throughout the year to raise money for children in need, McMillen cancer.

BOSE LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Environment

The risk of environmental damage caused by WEEE wastage is controlled through the implementation and enforcement of health and safety policies and procedures, including safe operating procedures.

Bose is committed to further reducing the environmental impact of our operations through the efficient use of resources, the reduction of waste and carbon emissions, recycling, transport planning and the careful handling of WEEE returns.

Bose will encourage its employees and business partners to conduct activities in an environmentally responsible manner by:

- Supporting local environment sustainability initiatives such as energy saving, green travel or waste reduction programmes.
- Challenging unsustainable activities such as the wasteful of packaging and electrical components.
- Being vigilant with respect to reporting any environmental risks, or situations which do not appear right, including any potential regulatory breaches.

To facilitate the measurement of progress, targets are monitored by the compliance team to effect continuous improvement. The Board considers that it has complied in all material respects with their section 172 duties.

Environmental Impact

Bose Limited have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the Greenhouse Reporting Protocols and we have used the 2021 UK Government's conversion factors for company reporting.

Bose Limited have installed smart meters across all sites and have increased video conferencing technology for staff meetings and remote training initiatives to reduce the need for travel between various sites. Bose Limited have also changed over all the fluorescents to LEDs.

In addition to the energy saving measures described in the above section, Bose will continue to maintain existing initiatives to further reduce its greenhouse emissions in the coming years.

Bose Limited Greenhouse gas emissions and energy use data for the year 01 April 2020 to 31 March 2021	2020/21	2019/20
Energy consumption used to calculate emissions (gas) (kWh)	315,388.88	391,236.63
Energy consumption break down (kWh)		
Natural gas		
Emissions in metric tonnes CO ₂ e	57.16	68.40
Energy consumption used to calculate emissions (Electricity) (kWh)	143,741.67	242,371.10
Electricity – total kWh used for the year, taken from the electricity bills		
Emissions in metric tonnes CO ₂ e	34.48	74.46
Tonnes of CO ₂ emissions per full time employee	0.55	0.71

Methodology Used:

a. Electricity: 0.3072 kgCO₂e per kWh (2018 UK Govt – Defra/BEIS Factor) = 74.4 Tonnes CO₂e

b. Natural Gas: 1,248.06 MCF per EPA Greenhouse Gas Equivalencies Calculator = 68.5 TonnesCO₂e

BOSE LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Financial risk management

The Company's operations expose it to a variety of financial risks that include credit risk, interest rate risk, currency risk and liquidity risk. Policies to address and monitor these risks are set by the Board.

Credit risk

The Company has implemented policies that require appropriate credit checks on potential customers before credit sales are made. The amount of exposure to any individual customer is subject to limits which are subject to regular reviews.

Interest rate risk

The Company has no external bank loans and the intercompany payable is interest free therefore no interest is payable.

Currency risk

The Company repatriates cash to its immediate parent when appropriate, and as this cash is denominated in euros we are therefore exposed to foreign exchange movements on this account. The Company closely monitors these foreign exchange movements, and takes action to address the risk when necessary.

Liquidity risk

The Company actively maintains a financing structure to ensure the Company has sufficient available funds for operations and planned expansions.

Key performance indicators

We have monitored our progress by reference to the following indicators:

	2021	2020	Change (%)
Revenue £000's	56,878	75,359	(24.52)
Gross margin (%)	22.15	26.68	(4.53)

Year on Year revenue decrease mainly related to store closures and COVID-19 impact, more details are on Directors' Report under going concern.

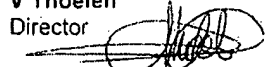
Our gross margin is calculated by gross profit divided by revenue.

	2021	2020	Change (%)
Return on capital (%)	5.79	7.20	(1.41)

Our return on capital is the Company's operating profit expressed as a percentage of our total assets.

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

V Thoelen
Director



Date: 29 July 2021

BOSE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and the audited financial statements of Bose Limited (the "Company") for the year ended 31 March 2021.

Results and dividends

The profit for the financial year amounted to £1,038k (2020: £1,825k).

The Company paid and proposed a dividend of £10,000k during the year (2020: £7,929k).

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

V Thoelen

S C Burke (resigned 31 December 2020)

J P Brosnahan (appointed 31 December 2020)

Qualifying third party indemnity provisions

The Company maintains liability insurance for its directors and officers. The directors have also been granted a qualifying third-party indemnity, under section 234 of the Companies Act 2006, which remains in force during the financial year and at the date of approval of financial statement. Neither the Company's indemnity nor insurance provides cover in the event that the indemnified individual is proved to have acted fraudulently or dishonestly.

Financial risk management

Financial risk management is included in the Strategic Report on page 6.

Future development

The future development is included in the Strategic Report on page 2.

Disabled employees

The Company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The Company gives full and fair consideration to applications for employment for disabled persons, having regard to their particular aptitude and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Company. If members of staff become disabled the Company continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

Employee involvement

The Company, systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the Company is encouraged as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Group plays a major role for maintaining it. The Company encourages the involvement of employee's by means of regular skype meetings between the staff and the UK and European management teams, to both disseminate information and answer staff questions.

BOSE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Going concern

Due to the current circumstances around Covid-19 and Brexit, our main strategy is to sustain the current revenue target and to focus on our Bluetooth Headphones portfolio and related product introductions. Bose introduced a new Premium Wi-Fi and VPA-enabled sound bar to further diversify the portfolio, and is also creating and introducing new products in the wellness and wearables segment. Having a product portfolio heavily dominated by connected products also enables us to deliver more personalised experiences for our customers. Bose as a company focuses on retaliating the impacts of the Covid-19 pandemic and is confident that appropriate measures are being taken to be the continued strong company. Therefore the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Whilst the Company continues to be cash generative the Company has also been provided with a letter of support from the Group to provide financial support for at least 12 months from the signing of the financial statements. The directors have assessed the ability of the parent company to provide such support and have noted no concerns. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

BOSE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

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

V Thoelen
Director



Date:

29 July 2021

BOSE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOSE LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Bose Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2021; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

BOSE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOSE LIMITED (CONTINUED)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

BOSE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOSE LIMITED (CONTINUED)

Based on our understanding of the Company and Industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with Companies Act 2006, local and international tax regulations and health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls); and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or profit and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- to address the risk of non-compliance with laws and regulations; discussions with management including consideration of any known or suspected instance of non-compliance with laws and regulations and fraud; and
- reviewing the disclosures in the annual report and financial statements in relation to the specific legal requirements, for example, in the directors report; and
- to address the risk of fraudulent manipulation of the financial statements; challenging assumptions and judgements made by management in their accounting estimates and judgements; and
- identifying and testing journal entries with unusual account combinations or posted by the senior management team.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

M. Haverson

Matthew Haverson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Crawley

Date: 29 July 2021

BOSE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £000	2020 £000
Turnover	4	56,878	75,359
Cost of sales		(44,279)	(55,251)
Gross profit		12,599	20,108
Distribution costs		(10,415)	(16,828)
Administrative expenses		(841)	(887)
Other operating income	5	206	-
Operating profit	6	1,549	2,393
Interest receivable and similar income	10	-	6
Finance costs	11	(24)	(17)
Profit before taxation		1,525	2,382
Tax on profit	12	(487)	(557)
Profit for the financial year		1,038	1,825
Other comprehensive income/(expense) for the financial year			
Actuarial gain/(loss) on defined benefit pension scheme	21	789	(388)
Movement of deferred tax relating to pension surplus		(201)	121
Other comprehensive income/(expense) for the financial year		588	(267)
Total comprehensive income for the financial year		1,626	1,558

The notes on pages 16 to 34 form part of these financial statements.

BOSE LIMITED
REGISTERED NUMBER: 01187672

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	14	661	1,148
Current assets			
Stocks	15	532	1,786
Debtors	16	16,578	14,004
Cash at bank and in hand	17	8,959	16,295
		<u>26,069</u>	<u>32,085</u>
Creditors: amounts falling due within one year	18	(7,093)	(4,470)
Net current assets		<u>18,976</u>	<u>27,615</u>
Total assets less current liabilities		<u>19,637</u>	<u>28,763</u>
Creditors: amounts falling due after more than one year	19		(6)
Pension liability	21	(303)	(1,049)
Net assets		<u>19,334</u>	<u>27,708</u>
Capital and reserves			
Called up share capital	23	994	994
Profit and loss account	24	18,340	26,714
Total shareholders' funds		<u>19,334</u>	<u>27,708</u>

The financial statements on pages 13 to 34 were approved by the Board of Directors on 29 July 2021 and signed on its behalf by:

V.Thoelen
 Director



J.P. Brosnahan
 Director

The notes on pages 16 to 34 form part of these financial statements.

BOSE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £000	Profit and loss account £000	Total shareholders' funds £000
At 1 April 2019	994	33,085	34,079
Comprehensive income/(expense) for the financial year			
Profit for the financial year	-	1,825	1,825
Actuarial losses on pension scheme, net of deferred tax	-	(267)	(267)
Other comprehensive expense for the financial year	-	(267)	(267)
Total comprehensive income for the financial year	-	1,558	1,558
Contributions by and distributions to owners			
Dividends paid (note 13)	-	(7,929)	(7,929)
Total transactions with owners	-	(7,929)	(7,929)
At 31 March 2020 and 1 April 2020	994	26,714	27,708
Comprehensive income for the financial year			
Profit for the financial year	-	1,038	1,038
Actuarial gains on pension scheme, net of deferred tax	-	588	588
Other comprehensive income for the financial year	-	588	588
Total comprehensive income for the financial year	-	1,626	1,626
Contributions by and distributions to owners			
Dividends paid (note 13)	-	(10,000)	(10,000)
Total transactions with owners	-	(10,000)	(10,000)
At 31 March 2021	994	18,340	19,334

The notes on pages 16 to 34 form part of these financial statements.

BOSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. General information

Bose Limited (the "Company") is a private company limited by shares and it is incorporated in the United Kingdom and registered in England. The address of its registered office is Bose House Quayside, Chatham Maritime, Chatham, Kent, ME4 4QZ. The registration number of the Company is 01187672.

Bose Limited sells and markets its products through varying channels, namely, wholesale HI-FI, Bose owned retail stores, Dotcom on-line retailing and our Professional Sales Group.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention 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 judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied consistently throughout the year:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Bose European Sales Services BV as at 31 March 2021 and these financial statements may be obtained from: Gorslaan 60, 1441 RG Purmerend, Netherlands.

BOSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.3 Going concern

Due to the current circumstances around Covid-19 and Brexit, our main strategy is to sustain the current revenue target and to focus on our Bluetooth Headphones portfolio and related product introductions. Bose introduced a new Premium Wi-Fi and VPA-enabled sound bar to further diversify the portfolio, and also creating and introducing new products in the wellness and wearables segment. Having a product portfolio heavily dominated by connected products also enables us to deliver more personalised experiences for our customers. Bose as a company focuses on retallating the impacts of the Covid-19 pandemic and is confident that appropriate measures are being taken to be the continued strong company. Therefore the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Whilst the Company continues to be cash generative the Company has also been provided with a letter of support from the Group to provide financial support for at least 12 months from the signing of the financial statements. The directors have assessed the ability of the parent company to provide such support and have noted no concerns. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.4 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.

BOSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Sale of goods

Turnover 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 turnover 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.

Turnover represents the value of goods dispatched to customers after discounts and the exclusion of value added tax. Turnover is recognised once the goods have been dispatched to the customer and the right to consideration has been earned.

2.6 Operating leases: the Company as lessor

Rentals income from operating leases is credited to the Statement of Comprehensive Income on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

2.7 Interest income

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

2.8 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.

BOSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.9 Employee benefits

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit and defined contribution pension plans.

(I) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(II) 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.

(III) Defined benefit pension plan

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance Sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the Balance Sheet date less the fair value of plan assets at the Balance Sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as 'employee' costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

BOSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.9 Employee benefits (continued)

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as other finance cost.

Pension schemes' surpluses are recognised to the extent that they can be recovered through reduced contributions in the future or through refunds from the scheme, while pension scheme deficits are recognised in full and presented on the face of the Balance Sheet gross of the related deferred tax.

2.10 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 relevant to the accounting period 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.

BOSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.11 Tangible assets

Tangible assets under the cost model 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.

Depreciation 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:

Short-term leasehold property	- 5 to 10 years
Automobiles	- 5 years
Fixtures, fittings and equipments	- 3 to 5 years

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.

2.12 Impairment of non-financial assets

At each Balance Sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

2.13 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 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.

BOSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.14 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 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.

2.15 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.

2.16 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.

2.17 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.

2.18 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.

2.19 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.

BOSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.20 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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows 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.

2.21 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.

2.22 Deferred and accrued income

Bose Limited's main income is derived from direct sales income. Bose Limited has processes in place to ensure that the revenue recognition of direct sales income is in the correct period. In addition there are processes in place to ensure that repairs income received in advance of providing the delivery is deferred into the relevant period, and that repairs income for the period is deferred as appropriate. An adjustment to income is made each year which reflects the anticipated value of the expected delivery time which has been invoiced in repair services being provided, on the Balance Sheet under deferred income.

BOSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The Company considers there to be no significant judgements or estimates which would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Turnover

Analysis of turnover by country of destination:

	2021 £000	2020 £000
United Kingdom	56,878	75,359

All turnover arose within the United Kingdom.

5. Other operating income

	2021 £000	2020 £000
Furlough income	206	-

6. Operating profit

The operating profit is stated after charging:

	2021 £000	2020 £000
Depreciation on tangible assets	359	554
Operating lease rentals	593	1,841
Loss on disposal of property, plant and equipment	439	508

BOSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

7. Auditors' remuneration

	2021 £000	2020 £000
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	60	59
Fees payable to the Company's auditors in respect of:		
All other services	5	5

8. Employees

Staff costs were as follows:

	2021 £000	2020 £000
Wages and salaries	5,144	4,815
Social security costs	555	519
Cost of defined contribution scheme	284	331
Cost of defined benefit scheme	107	104
	6,090	5,769

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

	2021 Number	2020 Number
Distribution	1	1
Administrative	5	6
Sales	161	195
	167	202

9. Directors' remuneration

At the end of the current year there was no director (2020: none) receiving benefits under the retirement benefit pension scheme. The remuneration of SC Burke, VG Thoelen and J P Brosnahan is paid by the parent company which makes no recharge to the Company. SC Burke, VG Thoelen and J P Brosnahan are directors of the parent company and a number of fellow subsidiaries, and it is not possible to make an accurate apportionment of their remuneration in respect of each of the subsidiaries. Accordingly, no remuneration is included in this disclosure. Their total remuneration is included in the aggregate of directors' remuneration disclosed in the financial statements of the parent company.

BOSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

10. Interest receivable and similar income

	2021 £000	2020 £000
Foreign exchange loss on financing	-	(6)
Interest receivable from group undertakings	-	12
	<u>-</u>	<u>6</u>

Interest receivable relates to a loan repayable on demand from group companies. Interest is accrued at 0.76%. Foreign exchange gains relate to the foreign exchange movements on the loan with group companies.

11. Finance costs

	2021 £000	2020 £000
Net interest on net defined benefit liability	22	17
Foreign exchange loss on financing	2	-
	<u>24</u>	<u>17</u>

12. Tax on profit

	2021 £000	2020 £000
Corporation tax		
Current tax on profits for the financial year	512	514
Adjustments in respect of prior years	-	(20)
Total current tax	<u>512</u>	<u>494</u>
Deferred tax		
Origination and reversal of timing differences	18	51
Changes to tax rates	-	(17)
Adjustments in respect of prior years	(43)	29
Total deferred tax	<u>(25)</u>	<u>63</u>
Total tax	<u>487</u>	<u>557</u>

BOSE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****12. Tax on profit (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are explained below:

	2021 £000	2020 £000
Profit before taxation	1,525	2,382
Profit before taxation by standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	290	453
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	240	112
Adjustments in respect of prior years	(43)	9
Remeasurement of deferred tax - change in UK tax rate	-	(17)
Total tax charge for the financial year	487	557

Factors that may affect future tax charges

The Finance Act 2020 removed the reduction of the main rate of corporation tax to 17% which was due to come into effect from 1 April 2020 (as enacted by Finance Act 2016). The tax rate therefore remains at 19%. The Finance Bill 2021 contains provisions to increase the tax rate from 19% to 25% from 1 April 2023. As this change has not been substantively enacted at the Balance Sheet date, it is not reflected in any closing deferred tax balances. The impact of the proposed tax rate change on the deferred tax balances is immaterial.

13. Dividends

	2021 £000	2020 £000
Dividends paid of £10.06 (2020: £7.98) per share	10,000	7,929

BOSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

14. Tangible assets

	Short-term leasehold property £000	Automobiles £000	Fixtures, fittings and equipments £000	Total £000
Cost				
At 1 April 2020	1,092	17	3,950	5,059
Additions	-	-	222	222
Construction in process	-	-	90	90
Disposals	(387)	-	(1,791)	(2,178)
At 31 March 2021	705	17	2,471	3,193
Accumulated depreciation				
At 1 April 2020	719	8	3,184	3,911
Charge for the year	15	3	341	359
Disposals	(44)	-	(1,694)	(1,738)
At 31 March 2021	690	11	1,831	2,532
Net book value				
At 31 March 2021	15	6	640	661
At 31 March 2020	373	9	766	1,148

15. Stocks

	2021 £000	2020 £000
Finished goods and goods for resale	532	1,786

The amount of inventories recognised as an expense during the year was £43,596k (2020: £9,074k).

There is no material difference between amounts disclosed above and the replacement costs equivalent.

BOSE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****16. Debtors**

	2021 £000	2020 £000
Trade debtors	8,859	2,736
Amounts owed by group undertakings	6,909	8,709
Other debtors	229	324
Deferred taxation	482	607
Prepayments and accrued income	99	1,628
	<u>16,578</u>	<u>14,004</u>

Amount owed by the Group undertakings are unsecured and interest free, balance to be paid by the following month.

All amounts are expected to be recovered within one year with the exception of certain deferred tax.

17. Cash at bank and in hand

	2021 £000	2020 £000
Cash at bank and in hand	<u>8,959</u>	<u>16,295</u>

18. Creditors: amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	566	761
Corporation tax	140	254
Taxation and social security	135	243
Accruals and deferred income	6,252	3,212
	<u>7,093</u>	<u>4,470</u>

19. Creditors: amounts falling due after more than one year

	2021 £000	2020 £000
Other creditors	<u>-</u>	<u>6</u>

BOSE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****20. Deferred taxation**

	2021 £000
At beginning of year	607
Credited to profit or loss	(18)
Charged to OCI for the years	(150)
Adjustment in respect prior years	43
At end of year	482

The deferred tax asset is made up as follows:

	2021 £000	2020 £000
Accelerated capital allowances	155	77
Short term timing differences	327	530
	482	607

The deferred tax asset has been recognised as the directors believe it is more likely than not that there will be sufficient future taxable profits with which it can be realised.

The amount of net reversals of deferred tax assets and liabilities expected to occur during the year beginning after the reporting period is approximately £18k.

BOSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

21. Pension commitments

Defined contribution pension scheme

The Company operates a defined contribution pension scheme which was opened from 1 January 2005, the assets of which are held separately from those of that Company in an independently administered fund. The charge to the Statement of Comprehensive Income represents the amount payable by the Company to the pension scheme in respect of the accounting year. There were no outstanding contributions at the Balance Sheet date (2020: £Nil). For the year ended 31 March 2021, the Company has made contributions of £284k (2020: £331k).

Defined benefit pension scheme

The Company operates a funded, defined benefit pension scheme; the assets of which are held in separately administered funds of the Bose Limited Retirement Benefit Plan. This scheme was closed to new entrants from 1 January 2005. The cost of providing pensions is charged to the Statement of Comprehensive Income in accordance with FRS 102, Section 28 - "Employee Benefits" over the periods benefiting from the services of employees. The Company has agreed a funding plan with the trustee, whereby ordinary contributions are made into the scheme based upon a percentage of the active employees' salary. There were no outstanding contributions at 31 March 2021 (2020: £Nil).

The Company does not recognise a plan surplus as a defined benefit plan asset on the basis it is not able to recover the surplus either through reduced contributions in the future, or through refunds from the plan. The scheme actuary has calculated the schemes assets and liabilities based on the 01 April 2013 full valuation updated to 31 March 2021. In accordance with the provisions of FRS 102, Section 28 "Employee Benefits" a full updated actuarial valuation was not prepared as at 31 March 2021. The following assumptions were used by the actuary to adjust the previous valuation.

Reconciliation of present value of plan liabilities:

	2021 £000	2020 £000
At the beginning of the year	5,546	5,497
Current service cost	107	104
Interest cost	133	132
Contributions	26	28
Benefits paid	(205)	(8)
Actuarial loss/(gain) on plan liabilities	198	(207)
At the end of the year	5,805	5,546

BOSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

21. Pension commitments (continued)

Reconciliation of present value of plan assets:

	2021 £000	2020 £000
At the beginning of the year	4,497	4,591
Interest income	111	115
Contributions	112	394
Benefits paid	(205)	(8)
Actuarial gain/(loss) on plan assets	987	(595)
At the end of the year	5,502	4,497

Composition of plan assets:

	2021 £000	2020 £000
Equity securities	3,246	3,058
Debt securities	221	675
Property	825	764
Other	1,210	-
Total plan assets	5,502	4,497

	2021 £000	2020 £000
Fair value of plan assets	5,502	4,497
Present value of plan liabilities	(5,805)	(5,546)
Net pension scheme liability	(303)	(1,049)

Analysis of amount charged to operating profit:

	2021 £000	2020 £000
Current service cost	107	104
Total operating charge	107	104

Analysis of amount charged to other finance costs:

	2021 £000	2020 £000
Interest on pension scheme liabilities	22	17
Total amount charged to other finance costs	22	17

BOSE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****21. Pension commitments (continued)**

The amount of actuarial gains recognised in the Statement of Comprehensive Income was £789k (2020: losses £388k).

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2021 %	2020 %
Discount rate	2.10	2.40
Future salary increases	3.50	3.00
Future pension increases	3.00	2.00
Proportion of employees opting for early retirement	3.25	2.75
Inflation assumption	3.50	2.75

22. Commitments under operating leases

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

	2021 £000	2020 £000
Not later than 1 year	430	1,615
Later than 1 year and not later than 5 years	762	2,100
	<u>1,192</u>	<u>3,715</u>

23. Called up share capital

	2021 £000	2020 £000
Shares classified as equity		
Allotted, called up and fully paid		
993,850 (2020: 993,850) Ordinary shares of £1 (2020: £1) each	<u>994</u>	<u>994</u>

24. Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Company.

BOSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

25. Related party transactions

The Company is a wholly owned subsidiary of Bose Products B.V. and as permitted by paragraph 33.1A of FRS 102 'Related party disclosure', transactions with other wholly owned entities in the Bose Products B.V. group are not disclosed.

26. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Bose Products B.V.

Bose Products B.V. is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Bose Products B.V. can be obtained from:

Bose Products B.V.
Görslaan 60
1441 RG Purmerend
Netherlands

The ultimate parent undertaking and controlling party is Bose Corporation, The Mountain, Framingham, MA 01701, USA, a company incorporated in the State of Massachusetts, USA.

Bose Corporation is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 March 2021.