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Registered number: 02516754

Colebrook Bosson & Saunders (Products) Limited

Report and Financial Statements

1 June 2019

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COMPANIES HOUSE

Directors
D A Lutz
O K Pigott
R T Woodbridge

Secretary
D W Audis

Auditors
Ernst & Young LLP
The Paragon Building
Counterslip
Bristol BS1 6BX

Bankers
HSBC
62 George White Street
Cabot Circus
Bristol BS1 3BA

Registered Office
1 Portal Road
Melksham
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Strategic report

The directors present their report and financial statements for the 52 weeks ended 1 June 2019.

Principal activity and review of the business

The company's principal activity during the period continued to be the design, manufacture, marketing and retailing of office products.

The profit for the period after taxation amounted to £17,008,863 (2 June 2018 – profit of £14,831,933). A £18,405,451 dividend was paid during the year (2 June 2018 – £16,621,649).

The company experienced strong growth in the year with a 14.9% increase in turnover and 15% increase in profits after tax to £17,008,863. The success of our new products, the Flo monitor arm continuing to be a key player in the market and significant growth in all regions including the US and Asia have all contributed to this success.

Future developments

The Directors remain confident that their strategy is delivering long term growth and profitability. We continue to invest in product development and process improvement in our commitment to providing excellent and innovative products and services to our customers. We also continue to look at better serving our global customers as they expand into new and diverse geographies.

Principal risks and uncertainties

Fluctuations in the UK and Global economies continue to pose the greatest risk to Colebrook Bosson & Saunders (Products) Limited's short-term performance. Many of the company's customers are quoted, and view office product expenditure as discretionary in nature. Like others, we are not immune from the downturn in public sector spending but are confident that our strategy of geographic and market segment diversification reduces this risk.

The company operates across multiple geographies, and we continue to see social and political unrest in some of the markets we trade in. We cannot predict how these will affect us but remain vigilant, particularly around the UK's exit from the European Union. Our geographic diversity helps to mitigate the risks posed by fluctuations in the economies in which we operate.

Trading in foreign currencies, Colebrook Bosson & Saunders (Products) Limited is exposed to exchange rate fluctuations. We have a policy of hedging to minimise the risk of a financial impact from this.

Commodity prices have shown significant volatility over the last few years, although there has been greater stability recently. The business is always looking at strategies to reduce exposure to these price movements with examples including increased sourcing in the UK to reduce foreign exchange risk.

The office products market is competitive. The company does benefit however from the success of its parent undertaking, Herman Miller Inc., one of the leading global companies in the industry.

Legislative risk in the UK and Europe applies to both our products and manufacturing environment. Product standards are subject to continuous revision which could impact our profitability.

This report was approved by the board on 27th February 2020 and signed on its behalf by

O K Pigott
Director
Date 27.02.20

Registered No. 02516754

Directors' report

The directors present their report and financial statements for the 52 weeks ended 1 June 2019.

Results and dividends

The profit for the year after taxation amounted to £17,008,863 (2 June 2018 – profit of £14,831,933). A £18,405,451 dividend was paid during the year (2 June 2018 – £16,621,649).

Research and development

We recognise that the taste of our customers varies between countries and continents and we continue to focus our research and development activity to suit the tastes of our local markets.

Going concern

The company's business activities, together with the factors likely to affect its future development, its financial position, liquidity and cash flow risk are described in these statutory financial statements.

The company has considerable financial resources and as a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries the directors have a reasonable expectation that the company has adequate resources to continue in operational existence in the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Directors

The directors who served the company during the year, and to the date of approval of this Report and Financial Statements, were as follows:

D A Lutz
H T Lopez (Resigned 8 October 2018)
R T Woodbridge
O K Pigott (Appointed 23 July 2018)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

Ernst & Young LLP were appointed as auditor of the company for the period ended 1 June 2019. Ernst & Young LLP are not seeking re-appointment as auditors for the next reporting period.

This report was approved by the board of directors on 27th February 2020 and was signed on its behalf by

O K Pigott
Director
Date 27.02.20

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEBROOK BOSSON & SAUNDERS (PRODUCTS) LIMITED

Opinion

We have audited the financial statements of Colebrook Bosson & Saunders (Products) Limited for the 52 weeks ended 1 June 2019 which comprise the Profit and Loss Account, the Statement of total recognised gains and losses, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 1 June 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report set out on pages 1 to 4, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Other information (continued)

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEBROOK BOSSON & SAUNDERS (PRODUCTS) LIMITED

(continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Ernst & Young LLP

Elizabeth Gray (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Bristol

Date 27 February 2020

Profit and loss account

for the 52 weeks ended 1 June 2019

	Notes	52 weeks ended 1 June 2019 £	52 weeks ended 2 June 2018 £
Turnover	2	48,192,385	41,943,529
Cost of sales		(23,237,954)	(20,156,298)
Gross profit		24,954,431	21,787,231
Administrative expenses		(5,538,129)	(5,133,285)
Operating profit	3	19,416,302	16,653,946
Interest receivable and similar income	6	2,297	789
Profit on ordinary activities before taxation		19,418,599	16,654,735
Tax	7	(2,409,736)	(1,822,802)
Profit for the financial year		17,008,863	14,831,933

All amounts relate to continuing activities.

Statement of total recognised gains and losses

for the 52 weeks ended 1 June 2019

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £17,008,863 in the period ended 1 June 2019 (2 June 2018 – profit of £14,831,933).

Turnover and operating profit are wholly derived from continuing operations.

The notes on pages 11 to 20 form part of these financial statements.

Balance sheet

at 1 June 2019

	Notes	1 June 2019 £	2 June 2018 £
Fixed assets			
Intangible assets	9 (a)	39,000	31,056
Tangible assets	9 (b)	690,830	532,656
		729,830	563,712
Current assets			
Stocks	10	2,807,490	3,435,913
Debtors	11	4,136,377	6,083,662
Cash at bank and in hand		2,667,519	1,871,219
		9,611,386	11,390,794
Creditors: amounts falling due within one year	12	(5,333,129)	(5,549,831)
Net current assets		4,278,257	5,840,963
Net assets		5,008,087	6,404,675
Capital and reserves			
Called up share capital	13	63,336	63,336
Profit and loss account		4,944,751	6,341,339
Shareholders' funds		5,008,087	6,404,675

The financial statements on pages 8 to 20 were approved and authorised for issue by the board of directors and are signed on their behalf by

O K Pigott

Director 27-02-20

Date

The notes on pages 11 to 20 form part of these financial statements.

Statement of changes in equity

for the 52 weeks ended 1 June 2019

	Issued share capital £	*Profit and loss account* £	*Total* £
At 3 June 2017:	63,336	8,131,055	8,194,391
Comprehensive income			
Profit for the financial year	–	14,831,933	14,831,933
Dividends paid on equity shares	–	(16,621,649)	(16,621,649)
At 2 June 2018	63,336	6,341,339	6,404,675
Comprehensive income			
Profit for the financial year	–	17,008,863	17,008,863
Dividends paid on equity shares	–	(18,405,451)	(18,405,451)
At 1 June 2019	63,336	4,944,751	5,008,087

The notes on pages 11 to 20 form part of these financial statements.

Notes to the financial statements

at 1 June 2019

1. Accounting policies

Statement of compliance with FRS 102

Colebrook Bosson Saunders (Products) Limited (the "Company") is a private limited company incorporated and domiciled in the United Kingdom. The registered office is 1 Portal Road, Melksham, Wiltshire, SN12 6GN.

These financial statements were authorised for issue by the Board of Directors on 27th February 2020. These financial statements were prepared in accordance with Financial Reporting Standard 102 Reduced Disclosure Framework (FRS 102) and in accordance with applicable accounting standards.

The company's financial statements are presenting in pound sterling, which is also the Company's functional currency.

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

Basis of preparation

The financial statements are prepared under the historical cost convention, as modified by the valuation at fair value of certain financial assets, and in accordance with Financial Reporting Standard 102 Reduced Disclosure Framework (FRS 102) and the Companies Act 2006.

Financial reporting standard 102 – reduced disclosure exemptions

Section 1.12(b) of FRS 102 exempts 'qualifying entities' from the requirement to prepare certain financial statement disclosures. A qualifying entity is member of a group where the parent of that group prepares publicly available consolidated financial statements which are intended to give a true and fair view (of the assets, liabilities, financial position and profit or loss) and that member is included in the consolidation. The Company has availed of this exemption and has taken the following exemptions:

i) The requirement of section 33 Related Party Disclosures paragraph 33.7

Statement of cash flows

Colebrook Bosson Saunders (Products) Limited, as a wholly owned subsidiary of Herman Miller Limited, has taken advantage of the exemption available in FRS 102 section 1 and has not prepared a statement of cash flows as the ultimate parent undertaking prepares group financial statements which are publically available.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, other than freehold land and assets in the course of construction, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold improvements	–	the lower of the lease term or up to 25 years,
Buildings	–	up to 40 years
Plant and machinery	–	3 to 10 years

Residual value is calculated on prices prevailing at the date of acquisition.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Notes to the financial statements

at 1 June 2019

1. Accounting policies (continued)

Intangible fixed assets

Intangible fixed assets are stated at cost, net of amortisation and any provision for impairment. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Amortisation is provided on all intangible fixed assets, other than assets in the course of construction, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Patents – 3 years

Residual value is calculated on prices prevailing at the date of acquisition.

The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are stated at the lower of cost and net realisable value. Costs include materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss account, except that a change 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

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are recorded in sterling at the exchange rates at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Notes to the financial statements

at 1 June 2019

1. Accounting policies (continued)

Operating leases

Rentals paid under operating leases are charged to income on a straight-line basis over the lease term. Lease incentives are recognised over the remaining lease term.

Pensions

The group operates a defined contribution pension scheme. The regular cost of providing retirement contributions to employees during the year is charged to operating profit in the year.

Revenue recognition

Revenue is recognised to the extent that the group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

Research and development

It is company policy to expense research and development costs in the period to which they relate rather than capitalise on the balance sheet.

Derivative instruments

The company uses forward currency contracts to reduce exposure to foreign exchange rates. Derivative financial instruments are initially measured at fair value on the day on which the derivative contract is entered into and subsequently measured at fair value through profit or loss. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of the forward currency contracts is calculated by reference to current forward exchange contracts with similar maturity profiles.

2. Turnover

Turnover of £48,192,385 (2018: £41,943,529) represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. The analysis of turnover and profit on ordinary activities before taxation by activity and geographical area has been omitted, as in the opinion of the directors the disclosure of this information would be seriously prejudicial to the interests of the company.

3. Operating Profit

This is stated after charging/(crediting):

	52 weeks ended 1 June 2019	*52 weeks ended 2 June 2018*
	£	*£*
Auditors' remuneration	31,500	32,458
Depreciation of tangible fixed assets	241,283	215,150
Amortisation of intangible fixed assets	24,917	17,062
Research and development	172,271	229,279
(Profit) / loss on foreign exchange transactions	(57,206)	81,250
Operating lease rentals	224,930	183,498

Notes to the financial statements

at 1 June 2019

4. Directors' remuneration

The directors of the company are employees of other related companies where they are remunerated for their employment; no substantive qualifying services are provided by the directors to the company and it is not considered that the directors received remuneration in the current period in their capacity as a director of the company (2018: £nil).

5. Staff costs

	52 weeks ended 1 June 2019	*Restated 52 weeks ended 2 June 2018*
	£	*£*
Wages and salaries	3,007,006	2,828,946
Social security costs	364,650	324,380
Other pension costs	51,971	33,225
	3,423,627	3,186,551

In the prior year an amount of £92,221 relating to payroll taxes for the France and Germany employees was incorrectly classified as Wages and Salaries costs rather than Social Security and has therefore been restated in the current year.

The average monthly number of employees (excluding directors) during the year was made up as follows:

	No.	*No.*
Management	1	1
Sales	21	21
Production	9	9
Administration	20	18
	51	49

6. Interest receivable and similar income

	52 weeks ended 1 June 2019	*52 weeks ended 2 June 2018*
	£	*£*
Interest receivable and other similar income	2,297	789

Notes to the financial statements

at 1 June 2019

7. Tax

(a) Tax on Profit on ordinary activities

The tax charge is made up as follows:

	52 weeks ended 1 June 2019	*52 weeks ended 2 June 2018*
	£	£
Current tax:		
UK corporation tax on the profit for the year	2,274,545	1,877,011
Foreign tax	38,300	–
Adjustments in respect of prior years	94,037	(28,733)
Total current tax	2,406,882	1,848,278
Deferred tax:		
Deferred tax credit current year	(3,053)	(6,260)
Adjustments in respect of prior years	5,907	(19,216)
Tax on profit on ordinary activities (note 7(b))	2,409,736	1,822,802

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2 June 2018 – 19%). The differences are explained below:

	52 weeks ended 1 June 2019	*52 weeks ended 2 June 2018*
	£	£
Profit on ordinary activities before tax	19,418,599	16,654,735
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2 June 2018 – 19%)	3,689,534	3,164,400
Effects of:		
Expenses not deductible for tax purposes	20,425	19,000
Capital allowances in excess of depreciation	3,412	–
Difference in tax rates	(3,038)	1,687
Enhanced tax relief on patent box	(1,390,013)	(1,314,336)
R&D taxed in prior year	(10,528)	–
Adjustment to prior periods	99,944	(47,949)
Total tax charge (note 7(a))	2,409,736	1,822,802

Notes to the financial statements

at 1 June 2019

7. Tax (continued)

(c) Deferred tax

	Deferred tax asset
	£
At 2 June 2018	76,900
Deferred tax credit in profit and loss account for the period (note 7(a))	(2,854)
At 1 June 2019	74,046

The Company does not expect any part of the deferred tax balance to be reversed in the next 12 months.

The deferred tax asset is made up as follows:

	52 weeks ended 1 June 2019	*52 weeks ended 2 June 2018*
	£	*£*
Accelerated capital allowances	72,527	74,990
Short term timing differences	1,519	1,910

(d) Factors that may affect future tax charges

On 6th September 2016 the UK Government substantively enacted a reduction in the corporation tax rate to 17% from 1 April 2020. As this change was substantively enacted at the balance sheet date, deferred tax has been recognised at the rate which will prevail in the period where the timing differences are expected to reverse.

8. Dividends

	1 June 2019	*2 June 2018*
	£	*£*
Declared and paid during the period	18,405,451	16,621,649

Notes to the financial statements

at 1 June 2019

9. Fixed assets

(a) Intangible assets

	Patents
	£
Cost:	
At 2 June 2018	50,017
Additions	32,861
At 1 June 2019	82,878
Amortisation:	
At 2 June 2018	18,961
Charge for the period	24,917
At 1 June 2019	43,878
Net book value:	
At 1 June 2019	39,000
At 2 June 2018	31,056

(b) Tangible assets

	Land and buildings leasehold	*Fixtures, fittings and equipment*	*Total*
	£	£	£
Cost:			
At 2 June 2018	286,199	953,113	1,239,312
Additions	16,116	384,620	400,736
Disposals	–	(12,750)	(12,750)
At 1 June 2019	302,315	1,324,983	1,627,298
Depreciation:			
At 2 June 2018	186,971	519,685	706,656
Charge for the period	41,630	199,653	241,283
Disposals	–	(11,471)	(11,471)
At 1 June 2019	228,601	707,867	936,468
Net book value:			
At 1 June 2019	73,714	617,116	690,830
At 2 June 2018	99,228	433,428	532,656

Notes to the financial statements

at 1 June 2019

10. Stocks

	1 June 2019	*2 June 2018*
	£	*£*
Finished goods and goods for resale	2,807,490	3,435,913

In the directors' opinion there were no significant differences between replacement cost and the amount at which stocks were stated in the financial statements. During the year the amount of stock recognised as an expense in the income statement was £11,705,547 (2018: £11,710,979).

11. Debtors

	1 June 2019	*2 June 2018*
	£	*£*
Trade debtors	1,981,753	1,767,688
Deferred tax asset (note 7 (c))	74,046	76,900
Prepayments and accrued income	140,094	111,744
Derivative financial instruments (note 15)	–	7,400
Intercompany debtors	1,940,484	4,119,930
	4,136,377	6,083,662

The company does not expect any part of the deferred tax asset balance to be reversed in the next 12 months.

12. Creditors: amounts falling due within one year

	1 June 2019	*2 June 2018*
	£	*£*
Trade creditors	449,707	599,043
Intercompany creditors	209,133	136,851
Group relief owed to immediate parent company	4,053,344	4,281,344
Other taxes and social security costs	165,432	164,135
Derivative financial instruments (note 15)	55,396	–
Accruals and deferred income	400,117	368,458
	5,333,129	5,549,831

Notes to the financial statements

at 1 June 2019

13. Issued share capital

Allotted, called up and fully paid	*1 June 2019* No.	*1 June 2019* £	*2 June 2018* No.	*2 June 2018* £
A1 ordinary shares of £1 each	16,667	16,667	16,667	16,667
A2 ordinary shares of £1 each	16,667	16,667	16,667	16,667
A3 ordinary shares of £1 each	16,667	16,667	16,667	16,667
B ordinary shares of £1 each	10,000	10,000	10,000	10,000
C ordinary shares of £1 each	3,334	3,334	3,334	3,334
E ordinary shares of £1 each	1	1	1	1
	63,336	63,336	63,336	63,336

The A shares, B shares, C shares and E shares constitute different classes of shares for the purposes of the Companies Act. The A and B ordinary shares have attached to them full voting, dividend and capital distributions (including on winding up) rights. The C and E ordinary shares have no voting rights or dividend rights attached to them, although they do have a right to a capital distribution (including on winding up).

14. Other financial commitments

At 1 June 2019 the company had future minimum lease payments due under non-cancellable operating leases as set out below:

	Land and buildings *1 June 2019* £	*Land and buildings* *2 June 2018* £
Future minimum lease payments due:		
Within one year	301,108	169,629
Between two and five years	909,008	435,228
Over five years	–	88,834
	1,210,116	693,691

15. Financial Instruments

	1 June 2019 £	*2 June 2018* £
Financial (liabilities) / assets at fair value through profit or loss:		
Forward foreign currency contracts	(55,396)	7,400

The group purchases forward foreign currency contracts to hedge currency exposure on firm future commitments. The fair values of the assets and liabilities held at fair value through profit or loss at the balance sheet date are determined using quoted market prices. The forward foreign currency contracts at 1 June 2019 represented a loss of £55,396 (2 June 2018 – gain of £7,400). The total of notional amounts of the forward foreign currency contracts at 1 June 2019 were £501,570 (2 June 2018: £619,207).

Notes to the financial statements

at 1 June 2019

16. Related party transactions

The company has utilised the exemption under FRS 102 section 33 as a wholly owned subsidiary undcrtaking not to disclose transactions with other entities that are part of the Herman Miller Inc. Group.

17. Ultimate parent undertaking and controlling party

The company's immediate parent is Herman Miller Limited which owns 100% of the shares of Colebrook Bosson Saunders (Products) Limited. The ultimate parent undertaking and controlling party is Herman Miller Inc., a company incorporated in the state of Michigan, USA, which owns 100% of the shares of Herman Miller Limited. This is the smallest and largest group of companies for which group financial statements are prepared and for which this company is a member. Copies of the financial statements are available on-line at www.hermanmiller.com in the investors' section.