Registration Number 923748

OSBORNE & LITTLE LIMITED

REPORT AND ACCOUNTS
Year ended 31 March 2010

ANNUAL REPORT
for the year ended 31 March 2010

DIRECTORS AND ADVISERS

DIRECTORS	Sir Peter George Osborne Bt Peter Soar FCA Peter Worsfold Graham John Noakes Lady Felicity Alexandra Osborne
SECRETARY AND REGISTERED OFFICE	Peter Soar FCA Riverside House 26 Osiers Road London SW18 1NH Tel 020 8812 3000 Fax 020 8877 7500 E-mail oandl@osborneandlittle com
REGISTERED NUMBER	923748, England
AUDITORS	Moore Stephens LLP 150 Aldersgate Street London EC1A 4AB
BANKERS	HSBC plc 69 Pall Mall London SW1Y 5EY

REPORT OF THE DIRECTORS
for the year ended 31 March 2010

The directors submit their report and the audited financial statements for the year ended 31 March 2010

1. PRINCIPAL ACTIVITIES

The principal activities of the company are the design and international distribution of fine furnishing fabrics and wallpapers

2 ULTIMATE HOLDING COMPANY

The ultimate holding company is Osborne & Little Group Limited, which is the parent undertaking of the largest group to consolidate these financial statements

3. RESULTS AND BUSINESS REVIEW

Turnover decreased by 12% to £22 9 million (2009 - £26 2m) The Profit and Loss account on page 9 shows an operating loss of £121,000 compared with the prior year loss of £7,516,000

Trading in the first two months of the current financial year continued to be challenging

4 DIVIDENDS

Dividends paid during the year were £1,476,720 (2009 - Nil)

5 EXECUTIVE DIRECTORS

The directors listed on page 2 have held office throughout the year ended 31 March 2010 except for Felicity Osborne who was appointed on 1 April 2010

The directors retiring by rotation, in accordance with the Articles of Association, are Graham Noakes and Felicity Osborne who, being eligible, offer themselves for re-election

6 RISK MANAGEMENT AND CONTROL

The company uses financial instruments to manage the risks arising from its operations All transactions are undertaken only to manage the currency risk associated with the company's underlying business activities

The company's financial instruments, other than derivatives, comprise cash and various items, such as trade debtors and trade creditors, that arise directly from its operations

The company also enters into derivative transactions, principally forward foreign currency contracts The purpose of such transactions is to manage the currency risks arising from the company's operations

It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken

The main risks arising from the company's financial instruments are interest rate, liquidity risk and foreign currency risk The board of directors reviews and agrees policies for managing each of these risks and they are summarised below These policies have remained unchanged since 1 April 2009

Interest rate risk

At 31 March 2010 the company's net borrowing position was £1,073,000 (2009 - £2,744,000) all of which is at floating rates

The company's policy is to hold cash and overnight deposits on a floating rate basis

Liquidity risk

Short-term flexibility is achieved by overdraft, loan and invoice financing facilities

The company has one significant overseas subsidiary operating in the US The majority of the US subsidiary's turnover is sourced by exports from the UK parent company These sales are invoiced in US dollars The company minimises the currency transaction exchange risk by the use of forward contracts covering between 40% and 70% of the actual and forecast exchange exposures for up to two years ahead

At 31 March 2010 the company had outstanding forward contracts of £2,969,574 (2009 - £6,934,893) in respect of its actual and forecast transaction exposures The company had options to sell US dollars amounting to £2,658,228 (2009 - nil)

About 46% of the company's sales are to countries other than the UK and North America, including 37% to continental Europe Most of these sales are invoiced in local currencies The Company does not eliminate currency exposure on these sales through forward currency contracts as any exposure is minimised due to the offsetting effect of imports

7 PAYMENTS TO SUPPLIERS

It is the company's policy to
a agree terms of payment when negotiating each class of transaction with suppliers,
b ensure that suppliers are made aware of the terms of payment, and
c abide by the agreed terms of payment

The company's average creditor payment period at 31 March 2010 was 63 days (2009 - 45 days)

8 CHARITABLE AND POLITICAL CONTRIBUTIONS

Contributions for charitable purposes made during the year amounted to £12,748 (2009 - £11,240)

Political donations of £3,500 were made during the year (2009 - nil)

9 EMPLOYMENT POLICIES

The company's selection, training, development and promotional policies ensure equal opportunities for all employees regardless of gender, marital status, race or disability

10. DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who were directors at the time when this report is approved confirms that

(a) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) each director has taken all the steps that ought to have been taken as a director, including making appropriate enquiries of fellow directors and of the company's auditors for that purpose, in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

By Order of the Board

Peter Soar, FCA
COMPANY SECRETARY
London
16 June 2010

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 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 those financial statements, the directors are required to

select suitable accounting policies and then apply them consistently,

make judgements and accounting estimates that are reasonable and prudent,

state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements

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 to enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OSBORNE & LITTLE LIMITED

We have audited the financial statements of Osborne & Little Limited for the year ended 31 March 2010 which are set out on pages 9 to 23 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practice Boards (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

Opinion on financial statements

In our opinion the financial statements

give a true and fair view of the state of the company's affairs as at 31st March 2010 and of the company's loss 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

INDEPENDENT AUDITORS' REPORT (continued)

Opinion on other matter(s) prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or

the financial statements are not in agreement with the accounting records and returns, or

certain disclosures of directors' remuneration specified by law are not made, or

we have not received all information and explanations we require for our audit

Peter Stewart, Senior Statutory Auditor
For and on behalf of Moore Stephens LLP, Statutory Auditor
150 Aldersgate Street
London EC1A 4AB
18 June 2010

PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2010

	Notes	2010 £000	2009 £000
Turnover	2	**22,901**	26,156
Cost of sales		**(12,189)**	(16,232)
Gross profit		**10,712**	9,924
Operating expenses		**(10,833)**	(17,440)
Operating loss		**(121)**	(7,516)
Net Interest (payable)/received	5	**(29)**	242
Dividend from subsidiary	6	**-**	(240)
Loss on ordinary activities before taxation	7	**(150)**	(7,514)
Taxation	8	**17**	225
Loss for the financial year	18	**(133)**	(7,289)

All activity has arisen from continuing operations

There are no recognised gains or losses other than those included in the Profit and Loss account

The company is a wholly owned subsidiary of Osborne & Little Group Limited and is included in the consolidated financial statements of Osborne & Little Group Limited which are publicly available

BALANCE SHEET
31 March 2010

	Notes	2010 £000	2009 £000
Fixed assets			
Intangible assets	9	**-**	5
Tangible assets	10	**1,222**	1,315
Investments	11	**462**	462
		1,684	1,782
Current assets			
Stocks	12	**4,708**	5,476
Debtors	13	**4,199**	5,416
Cash at bank and in hand		**470**	351
		9,377	11,243
Creditors: amounts falling due within one year	14	**(6,508)**	(6,710)
Net current assets		**2,869**	4,533
Total assets less current liabilities		**4,553**	6,315
Creditors amounts falling due after more than one year	15	**-**	(152)
Net assets		**4,553**	6,163
Capital and reserves			
Called up share capital	17	**301**	301
Share premium account	18	**795**	795
Capital redemption reserve	18	**61**	61
Option contribution reserve	18	**-**	147
Profit and Loss account	18	**3,396**	4,859
Shareholder's funds		**4,553**	6,163

The financial statements were approved by the board of directors on 16 June 2010 and were signed on its behalf by

Sir Peter G Osborne Bt
Director

Peter Soar FCA
Director

Company number 00923748

NOTES TO THE FINANCIAL STATEMENTS
31 March 2010

1. PRINCIPAL ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

The company is exempt under section 405 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Osborne and Little Group Limited, a company registered in England and Wales

(b) Going Concern

The directors have prepared the financial statements on a going concern basis, which assumes the company will continue in operational existence for the foreseeable future

In preparing the financial statements on a going concern basis the directors have taken into account the continuing availability of group bank facilities which are due for renewal in the near future The directors have no reason to believe that bank facilities will not be renewed Consequently the directors consider that the company and group will be able to finance its working capital requirements and meet its trading and cash flow performance forecasts for the next twelve months

These financial statements do not contain any adjustments that would be necessary, if the company were unable to continue as a going concern

(c) Depreciation

Depreciation is calculated to write off the cost or valuation of all assets on the straight line basis over their expected useful economic lives The principal annual rates used for this purpose are

Short leaseholds	Over the life of the lease
Computer software	10%
Plant, equipment and fittings	10%-25%
Motor vehicles	25%
Computer Equipment	25%

Any impairment in the value of fixed assets is dealt with in the Profit and Loss account in the period in which it arises

(d) Goodwill

Goodwill arising on acquisition of the Lorca brand on 12 May 2004 represents the excess of the purchase consideration given, over the fair value of the identifiable net assets acquired The goodwill is amortised on a straight line basis over 5 years which reflects the useful economic life and is now fully amortised

(e) Investments

Investments in subsidiary companies are stated at cost less any impairment

(f) Stocks

Stocks are stated at the lower of cost and net realisable value In general, cost is determined on a first in, first out basis Net realisable value is the price at which the stock can be realised in the normal course of business after making full allowance for the cost of realisation Provision is made for obsolete, slow-moving and defective stocks

NOTES TO THE FINANCIAL STATEMENTS (continued)

(g) Financial instruments

Forward contracts are noted as commitments in the notes to financial statements

(h) Foreign currencies

Monetary assets and liabilities of subsidiaries in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial period and the results of foreign subsidiaries are translated at the average rate of exchange for the period Differences on exchange arising from the retranslation of the opening net investment in subsidiary companies, and from the translation of results of those companies at average rate, are taken to reserves All other foreign exchange differences are taken to the Profit and Loss account in the year in which they arise

(i) Turnover

Turnover, which excludes value added tax, is recognised as goods are despatched to customers

(j) Deferred taxation

Deferred taxation is provided in full on all timing differences which result in an obligation to pay more tax, or a right to pay less tax, in the future at rates expected to apply when they crystallise based on current tax rates and law Deferred tax assets are recognised only to the extent that it is more likely than not there will be suitable taxable profits from which future reversals of the underlying timing differences can be deducted No provision is made where the amounts involved are not material

(k) Pension arrangements

Contributions paid to the company pension schemes (defined contribution), in respect of its employees, are charged to the Profit and Loss account as incurred

Contributions payable by the company are expensed immediately and amounted to £246,000 (2009 - £241,000) during the year There were no amounts outstanding (2009 - nil) at the year end in respect of contributions to the schemes

(l) Operating leases

Costs in respect of operating leases are charged to the Profit and Loss account as incurred

(m) Cash flow statement

The company is a wholly owned subsidiary of Osborne & Little Group Limited and is included in the consolidated financial statements of Osborne & Little Group Limited which are publically available Consequently the Company has taken advantage of the exemption from preparing a cash flow statement

NOTES TO THE FINANCIAL STATEMENTS (continued)

(n) Share based payments

The company provides benefits to directors and employees of the company in the form of share based payments, whereby they render services in exchange for shares or rights over shares (equity-settled transactions)

The cost is measured by reference to the fair value of the equity instruments at the date at which they were granted The fair value is determined by using the Black Scholes model

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the share of the company

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in the performance and/or other service conditions are fulfilled, up to the date on which the entitlements vest

The cumulative expense recognised for equity-settled transactions at each reporting date reflects (i) the extent to which the vesting period has expired and (ii) the company's best estimate of the number of equity instruments that will ultimately vest

2 SEGMENT INFORMATION

The table below sets out information on a worldwide basis, for each of the Company's geographical areas

	2010 Total sales	2009 Total sales
	£000	£000
United Kingdom	**8,908**	10,217
Europe	**8,405**	8,999
Rest of the world	**2,263**	2,159
	19,576	21,375
Sales to group company - North America	**3,325**	4,781
	22,901	26,156

A geographical segment analysis of profit before tax and net assets has not been included because, in the opinion of the directors, such disclosure would be seriously prejudicial to the interests of the business

NOTES TO THE FINANCIAL STATEMENTS (continued)

3 DIRECTORS' EMOLUMENTS

The following charges are made in the financial statements

	2010 £000	2009 £000
Salary payments (including benefits in kind)	**1,464**	1,590
Company pension contributions to money purchase schemes	**136**	97
	1,600	1,687

Retirement benefits are accruing to 4 directors (2009 – 4) under money purchase schemes

Fees and other emoluments include amounts paid to the highest paid director

	2010 £000	2009 £000
Salary payments, benefits in kind and annual incentives	**731**	1,004

4. EMPLOYEE INFORMATION

(a) The average number of persons employed by the company (including executive directors) during the year is analysed below

	2010 No.	2009 No
Production and warehousing	**45**	52
Selling and distribution	**56**	63
Administration	**40**	47
	141	162

(b) Company employment costs – all employees including executive directors

	2010 £000	2009 £000
Wages and salaries	**5,297**	5,890
Social security costs	**634**	705
Other pension costs	**246**	241
	6,177	6,836

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. NET INTEREST (PAYABLE)/RECEIVABLE

	2010 £000	2009 £000
Interest payable - bank loans and overdrafts	**(42)**	(96)
Interest receivable	**13**	338
	(29)	242

Interest receivable in the comparative figure includes £322,000 in respect of a loan to the parent company, Osborne & Little Group Limited (see note 13)

6 DIVIDEND FROM SUBSIDIARY

	2010 £000	2009 £000
Dividend refund to subsidiary	**-**	(240)

7 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2010 £000	2009 £000
Loss on ordinary activities before taxation is stated after charging/ (crediting)		
Depreciation charge - owned assets	**517**	551
Amortisation of goodwill	**5**	64
Directors' emoluments	**1,600**	1,687
Intercompany loan waived	**-**	6,365
Profit/(loss) on disposal of tangible fixed assets	**(8)**	9
Auditors' remuneration - statutory audit	**25**	24
Operating lease rentals - land & buildings	**952**	823
Exchange loss/(gain)	**596**	(428)

Remuneration during the year of the Company's auditors for non-audit services to the Company, was £30,000 (2009 - £27,000) in respect of taxation compliance and advisory fees

8 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2010 £000	2009 £000
Tax on profit on ordinary activities		
Current tax	(12)	-
Adjustment in respect of prior years	(5)	(225)
Current tax credit	(17)	(225)

The effective rate of tax for the year, based on the UK small companies rate of corporation tax is 21% (2009 - 28%) The actual tax charge for the current and previous year end varies with the standard rate for the reasons set out in the following reconciliation

	2010 £000	2009 £000
Loss on ordinary activities before tax	(150)	(7,514)
Tax on loss on ordinary activities at standard rate 21% (2009 - 28%)	(31)	(2,104)
Factors affecting the tax charge for the year		
Expenses not deductible for tax purposes	2	22
Depreciation in excess of capital allowances	19	25
Loan waiver	-	1,782
Dividend refund	-	67
Loss on disposal of fixed assets	(2)	(3)
Losses carried back	-	211
Adjustment in respect of prior years	(5)	(225)
Current tax charge for the year	(17)	(225)

9 INTANGIBLE ASSETS

Goodwill	2010 £000	2009 £000
Cost at 1 April and 31 March	315	315
Amortisation at 1 April	310	246
Charge for the year	5	64
At 31 March	315	310
Net book value at 31 March	-	5

NOTES TO THE FINANCIAL STATEMENTS (continued)

10 TANGIBLE FIXED ASSETS

	Short leasehold properties £000	Plant, equipment & fittings £000	Motor vehicles £000	Computer & software equipment £000	Total £000
Cost or valuation					
As at 1 April 2009	569	1,864	672	1,011	4,116
Additions	114	135	86	133	468
Disposals	-	(737)	(144)	(134)	(1,015)
At 31 March 2010	683	1,262	614	1,010	3,569
Accumulated depreciation					
At 1 April 2009	418	1,437	296	650	2,801
Charge for the year	64	167	143	143	517
Disposals	-	(734)	(113)	(124)	(971)
At 31 March 2010	482	870	326	669	2,347
Net book value 31 March 2010	**201**	**392**	**288**	**341**	**1,222**
Net book value 31 March 2009	151	427	376	361	1,315

11 INVESTMENTS

Subsidiary companies	£000
At 31 March 2010 and 2009 - cost and net book value	**462**

A summary of the principal subsidiary companies is shown below

Name of Company	Country of Incorporation & Operation	Class of Capital	Proportion held Direct	Indirect	Business
Tamesa Fabrics Ltd	England & Wales	Ordinary shares	100%	-	Holding Company
		Preference shares	100%	-	
Osborne & Little Inc	USA	Common stock	-	100%	Furnishing fabric & wallpaper distribution

NOTES TO THE FINANCIAL STATEMENTS (continued)

12 STOCKS

	2010 £000	2009 £000
Finished goods and goods for resale	**4,708**	5,476

13 DEBTORS

	2010 £000	2009 £000
Trade debtors	**3,224**	3,466
Group companies	**574**	1,257
Other debtors	**31**	136
Corporation tax	**12**	219
Prepayments and accrued income	**358**	338
	4,199	5,416

Amounts due from group undertakings are unsecured and interest free

NOTES TO THE FINANCIAL STATEMENTS (continued)

14 CREDITORS: amounts falling due within one year

	2010 £000	2009 £000
Invoice financing	1,201	1,099
Bank loan	175	374
Bank overdraft	167	1,470
Trade creditors	3,521	2,369
Group companies	383	624
Accruals and deferred income	1,061	774
	6,508	6,710

The invoice financing facility agreement is limited to £1,750,000 with a discounting charge of 2 25% over base rate The facility agreement can be ended by either party with not less than three months notice
The company has a current bank loan amounting to £175,000 with interest payable at 3% above the bank base rate The loan can be terminated by the bank at any time, but subject to this the loan is due for review on 31 July 2010

The bank overdraft facility is limited to £1,050,000 with interest payable at 3% above base rate

The security for the invoice financing facility, bank loan and bank overdraft facilities consists of

(a) a debenture comprising fixed and floating charges over all the assets and undertakings of Osborne & Little Limited,

(b) mortgage of Level Term Life Policy in favour of Osborne & Little Limited in relation to Sir Peter Osborne, director and shareholder,

(c) unlimited cross-guarantee in relation to the group banking facilities with all UK companies in the group,

(d) guarantees given by Sir Peter Osborne, director and shareholder amounting to £950,000

Amounts due to groups undertakings are unsecured and interest free

15. CREDITORS: amounts falling due after more than one year

	2010 £000	2009 £000
Bank loan	-	152

The bank loan is repayable as follows

	2010 £000	2009 £000
Within one year	175	374
Two to five years	-	152
	175	526

NOTES TO THE FINANCIAL STATEMENTS (continued)

16 DEFERRED TAX

A deferred tax asset amounting to £79,000 (2009 - £125,000) has not been recognised due to uncertainty over the timing of future recoverability

17. CALLED UP SHARE CAPITAL

Authorised	Ordinary shares of 5p	£
At 31 March 2010 and 2009	10,000,000	500,000
Allotted, called up and fully paid		
At 31 March 2010 and 2009	**6,027,427**	**301,371**

Share based payment arrangements

Options were granted to directors on 2 October 2003 and 20 August 2004 On 20 July 2006 new options were granted to the same directors and an employee as a replacement for the previous options

Under FRS 20, ' Share Based Payments', the company determined the fair value of the old options both as at the date of the grant, and the fair value of the options as at the date of surrender and the fair value of the new options granted on 20 July 2006

The expense to be charged to the profit and loss account is the fair value of the old options at their dates of grant plus the incremental fair value arising on the difference between the fair value of the old options and the fair value of the incremental options as at July 2006

The assessed fair value is determined using the Black Scholes Model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option

NOTES TO THE FINANCIAL STATEMENTS (continued)

17 CALLED UP SHARE CAPITAL (continued)

Share based payment arrangements (continued)

The following table lists the inputs and valuation results for the options granted as replacement for the old options

Valuation as at	Date of award	
Option scheme	EMI	Unapproved
Award date	20-Jul-06	20-Jul-06
Vesting date	20-Jul-08	20-Jul-08
Expected exercise	20-Jul-12	20-Jul-12
Dividend yield (%)	-	-
Expected volatility (%)	28 87	28 87
Risk free interest rate (%)	4 704	4 704
Exercise price	1 00	1 00
Share price at grant date (£)	1 39	1 39
Number of shares	245,700	33,300
Fair value of one share (£)	0 7106	0 7106
Fair value of all shares	174,599	23,664

The expected volatility reflects the assumption that the historical volatility is indicative of future trends which may not necessarily be the actual outcome

NOTES TO THE FINANCIAL STATEMENTS (continued)

18 RESERVES

	Share premium account £000	Capital redemption reserve £000	Option contribution £000	Profit and Loss account £000
At 1 April 2009	795	61	147	4,859
Loss for the year	-	-	-	(133)
Option contribution movement	-	-	(147)	147
Dividends	-	-	-	(1,477)
At 31 March 2010	**795**	**61**	**-**	**3,396**

A dividend of £1,477,000 was paid during the year (2009 - nil)

19. OPERATING LEASE COMMITMENTS

Commitments under operating leases to pay rentals during the year following the year of these accounts, analysed according to the period in which each lease expires

Land and building leases	**2010 £000**	2009 £000
Expiring within two to five years	**409**	434
Expiring after five years	**559**	468
	968	902

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 £000	2009 £000
Loss for the financial year	**(133)**	(7,289)
Share option reserve	**-**	20
Dividends	**(1,477)**	-
	(1,610)	(7,269)
Opening shareholders' funds	**6,163**	13,432
Closing shareholders' funds	**4,553**	6,163

21. CAPITAL EXPENDITURE

	2010 £000	2009 £000
Expenditure contracted for	**122**	120

NOTES TO THE FINANCIAL STATEMENTS (continued)

22 ULTIMATE CONTROLLING PARTY

The ultimate holding company is Osborne & Little Group Limited, which is the parent undertaking of the largest group to consolidate these financial statements Copies of Osborne & Little Group Limited consolidated financial statements can be obtained from the Company Secretary at Osborne & Little Group Limited, Riverside House, 26 Osiers Road, London, SW18 1NH

The ultimate controlling party is Sir Peter Osborne

23 CONTINGENT ASSET AND LIABILITY

At 31 March 2010 the company had fixed forward contracts to sell US dollars of £2,969,574 (2009 - £6,934,893)

There is a fixed and floating charge over the assets of the Company

See note 14 for details of security in respect of invoice financing facility, bank loan and bank overdraft facilities

At 31 March 2010 the company had foreign exchange options to sell US dollars to HSBC plc amounting to £2,658,228 (2009-nil)

24 RELATED PARTY TRANSACTIONS

Under FRS8, 'Related Party Disclosures', the company has taken advantage of the exemption for subsidiary undertakings 90% or more of whose voting rights are controlled within the group Accordingly, transactions with group companies are not disclosed separately