

Registered number: 00531067

W. H. BOWKER INTERNATIONAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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W. H. BOWKER INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors	K N Bowker H M Bowker W H Bowker Jnr K N Bowker Jnr A P Bowker D Turner P O Hansen A J Gee
Company secretary	A J Gee
Registered number	00531067
Registered office	Holme Road Bamber Bridge Preston Lancashire PR5 6BP
Independent auditors	Grant Thornton UK LLP Landmark St Peter's Square 1 Oxford Street Manchester M1 4PB

W. H. BOWKER INTERNATIONAL LIMITED

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W. H. BOWKER INTERNATIONAL LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

Introduction

The Directors present their Strategic Report and audited financial statements for the year ended 31 December 2022.

The Directors are pleased with the trading performance of W.H. Bowker International Limited.

Principal activities

The principal activity of the business continues to be that of UK and European Transport, Distribution and Warehousing from its sites in Preston and Hull.

Principal risks and uncertainties

The principal risks and uncertainties facing the business are outlined below:

Economic risk

The profitability of the Company is directly linked to the United Kingdom's wider economic climate.

Financial risk

The Directors believe the Group's financing and working capital facilities leave the Company well placed to pursue its strategic objectives.

Trade debtors are assessed before credit is extended to mitigate the risk of bad debts, although risk of default cannot be fully eliminated.

Interest rate risk

The rate of interest on the Group's borrowings is linked to the underlying Bank of England base rate. Interest rates have risen from an all-time low of 0.1% in March 2020 to 5% at the date of this report. Increasing interest rates have a direct relationship with consumer spending habits and have a detrimental impact on trade. Inflationary costs in relation to utilities, wages and finance costs have increased the overhead base across the business. The business has taken steps to mitigate these costs and in relation to its utility costs to reduce its Carbon footprint by investing in solar panel electricity generation.

Liquidity and financing

Liquidity and financing risks relate to the Company's ability to pay for goods and services required to trade on a day-to-day basis. The main sources of financing is from HSBC Bank plc by way of committed borrowing facilities and from suppliers by way of trade credit. A withdrawal of financing facilities or a failure to renew them as they expire could lead to a significant reduction in the trading ability of the Company. The directors are not aware of any reason to suggest that the Company will have any issues with regards to liquidity and financing.

Other risks

Diesel fuel represents a major cost to the Group, and future price movements could have an impact on the future profitability of the business. The Group applies a fuel surcharge to minimise the impact of such price rises to the overall profitability of the business.

The Company transacts business in Euros as well as Sterling, so future movements in exchange rates could have an impact on the future profitability of the business. To mitigate some of this risk, the Company continues to trade in both currencies in order to offset significant exchange rate movements.

W. H. BOWKER INTERNATIONAL LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Key performance indicators

	2022	2021
	£000	£000
Turnover	19,562	16,527
Gross profit	3,600	3,386
Profit before tax	870	752
	2022	2021
	£000	£000
EBITDA		
Operating profit	908	801
Government grants receivable	-	(37)
Depreciation	430	386
(Profit) on sale of fixed assets	(57)	(5)
EBITDA	1,281	1,145

Business review

The Transport, Distribution and Warehousing business had a positive 2022 building on the momentum achieved in the prior year. The Company continued to capitalise on the demand for warehousing space continuing to outstrip supply.

Profit before tax achieved was £870,000 (2021: £752,000), an increase of £118,000.

EBITDA improved to £1,282,000 (2021: £1,145,000), an increase of £137,000.

The Company continues to invest in its systems and people and in smart implementation in expanding offerings by digitalising its IT and technology systems. This enables it to offer a broad spectrum of services to customers which result in operational efficiencies, as demonstrated by improvements in the Company's profit margins.

This report was approved by the Board on 12/7/2023 and signed on its behalf.



A J Gee
Director

W. H. BOWKER INTERNATIONAL LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their report and the financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Results and dividends

The profit for the year, after taxation, amounted to £693,000 (2021: £546,000).

The Directors do not recommend the payment of a dividend (2021: £nil).

Directors

The directors who served during the year were:

K N Bowker
H M Bowker
W H Bowker Jnr
K N Bowker Jnr
A P Bowker
D Turner
P O Hansen
A J Gee

W. H. BOWKER INTERNATIONAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Going concern

The Company and the W.H. Bowker Limited Group of Companies (to which the Company is associated) have obtained funding from a combination of BMW Financial Services (GB) Limited, Volkswagen Financial Services (UK) Limited, VFS Financial Services Limited and HSBC Bank plc.

The BMW Financial Services (GB) Limited loans are due to be repaid by September 2038. No covenants are attached to these loans. The HSBC Bank plc loans are due to be repaid in March 2027. Loan to value and debt service covenants are attached to this loan, against which there is significant headroom. The working capital facilities provided by HSBC Bank plc are repayable on demand and reviewed annually. No covenants are attached to the working capital facilities of the Company and associated Group of Companies.

An intercreditor agreement exists between the Company, associated Group of Companies and certain finance providers; and cross company guarantees are in place between the Group and associated companies with reference to the relevant aspects of financing with these finance providers.

The overdraft facility is provided by HSBC Bank plc, along with an invoice discounting facility, both of which support the Group and its associated companies. The facilities are due for renewal in October 2023 and based on discussions with the bank the Directors have no reason to believe that these facilities will not be renewed.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking into account reasonably possible downsides, the Company will have sufficient funds through its overdraft facility and, if necessary, support from the W.H. Bowker Limited Group of Companies, to meet its liabilities as they fall due for that period.

W.H. Bowker Limited has indicated its intention to continue to make available such funds as are needed by the Company. As with any Company placing reliance on other Group entities for financial support, the Directors acknowledge that there can be no certainty that this support will be provided but, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Future developments

The Directors look for continued improvements to profitability during 2023 driven by sales growth, particularly with reference to the new post-Brexit customs clearance service stream, and through the continued control of the Company's overhead cost base.

Qualifying third party indemnity provisions

There are no third party indemnity provisions held by the Company.

W. H. BOWKER INTERNATIONAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Post balance sheet events

There have been no adjustments arising from the post Balance Sheet period. The impact of Covid-19 is discussed in detail in the Strategic Report within these financial statements.

Auditors

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

This report was approved by the Board on 12/7/2023 and signed on its behalf.

Andrew Gee

A J Gee
Director

W. H. BOWKER INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF W. H. BOWKER INTERNATIONAL LIMITED

Opinion

We have audited the financial statements of W. H. Bowker International Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

W. H. BOWKER INTERNATIONAL LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF W. H. BOWKER INTERNATIONAL LIMITED
(CONTINUED)**

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as Brexit, Covid-19, and inflationary pressures, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

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.

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.

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

Other information

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report and financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

W. H. BOWKER INTERNATIONAL LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF W. H. BOWKER INTERNATIONAL LIMITED
(CONTINUED)**

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Responsibilities of directors for the financial statements

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

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

W. H. BOWKER INTERNATIONAL LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF W. H. BOWKER INTERNATIONAL LIMITED
(CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the industry in which it operates. We determined that the most significant are those which relate to the reporting frameworks (FRS 102 and the Companies Act 2006);
- We obtained an understanding of how the Company is complying with those legal and regulatory frameworks by making inquiries of management and those charged with governance;
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - Assessing the design and implementation of controls management has in place to prevent and detect fraud;
 - Challenging assumptions and judgments made by management in significant accounting estimates;
 - Identifying and testing journal entries, in particular any journal with unusual characteristics;
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's knowledge of the industry in which the Company operates, and the understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

W. H. BOWKER INTERNATIONAL LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF W. H. BOWKER INTERNATIONAL LIMITED
(CONTINUED)**

Use of our report

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

Grant Thornton UK LLP

Michael Frankish
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester
Date: 12/7/2023

W. H. BOWKER INTERNATIONAL LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
Turnover	4	19,562	16,527
Cost of sales		(15,962)	(13,141)
Gross profit		3,600	3,386
Administrative expenses		(2,692)	(2,622)
Other operating income	5	-	37
Operating profit	6	908	801
Interest payable and similar expenses	10	(38)	(49)
Profit before tax		870	752
Tax on profit	11	(177)	(206)
Profit for the financial year		693	546

There was no other comprehensive income for 2022 (2021: £nil).

All amounts relate to continuing operations.

The notes on pages 16 to 32 form part of these financial statements.

W. H. BOWKER INTERNATIONAL LIMITED
REGISTERED NUMBER: 00531067

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	12	3,171	3,070
Current assets			
Debtors: amounts falling due after more than one year	13	-	1,533
Debtors: amounts falling due within one year	13	4,966	4,810
Cash at bank and in hand	14	3,150	536
		<u>8,116</u>	<u>6,879</u>
Creditors: amounts falling due within one year	15	(2,926)	(2,325)
Net current assets		<u>5,190</u>	<u>4,554</u>
Total assets less current liabilities		<u>8,361</u>	<u>7,624</u>
Creditors: amounts falling due after more than one year	16	(354)	(438)
Provisions for liabilities			
Deferred tax	17	(441)	(313)
Net assets		<u>7,566</u>	<u>6,873</u>
Capital and reserves			
Called up share capital	18	46	46
Capital redemption reserve	19	8	8
Profit and loss account	19	7,512	6,819
		<u>7,566</u>	<u>6,873</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 12/7/2023

Andrew Gee

A J Gee
 Director

The notes on pages 16 to 32 form part of these financial statements.

W. H. BOWKER INTERNATIONAL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2021	46	8	6,273	6,327
Profit for the year	-	-	546	546
At 1 January 2022	46	8	6,819	6,873
Profit for the year	-	-	693	693
At 31 December 2022	46	8	7,512	7,566

The notes on pages 16 to 32 form part of these financial statements.

W. H. BOWKER INTERNATIONAL LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £000	2021 £000
Cash flows from operating activities		
Profit for the financial year	693	546
Adjustments for:		
Depreciation of tangible assets	430	386
(Profit)/Loss on disposal of tangible assets	(57)	(5)
Interest paid	38	49
Taxation charge	177	206
Decrease/(increase) in debtors	1,394	(904)
Increase/(decrease) in creditors	216	(171)
Corporation tax (paid)	(48)	(95)
Net cash generated from operating activities	2,843	12
Cash flows from investing activities		
Purchase of tangible fixed assets	(228)	(661)
Sale of tangible fixed assets	197	129
Net cash from investing activities	(31)	(532)
Cash flows from financing activities		
Net cash flow associated with hire purchase contracts	(568)	(150)
Interest paid	(38)	(49)
Net cash used in financing activities	(606)	(199)
Net increase/(decrease) in cash and cash equivalents	2,206	(719)
Cash and cash equivalents at beginning of year	307	1,026
Cash and cash equivalents at the end of year	2,513	307
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,150	536
Bank overdrafts	(637)	(229)
	2,513	307

The notes on pages 16 to 32 form part of these financial statements.

W. H. BOWKER INTERNATIONAL LIMITED

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	At 1 January 2022 £000	Cash flows £000	At 31 December 2022 £000
Cash at bank and in hand	536	2,614	3,150
Bank overdrafts	(229)	(408)	(637)
Obligations under finance lease and hire purchase contracts	(560)	122	(438)
	<u>(253)</u>	<u>2,328</u>	<u>2,075</u>

The notes on pages 16 to 32 form part of these financial statements.

W. H. BOWKER INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

W.H. Bowker International Limited is a private Company limited by shares & incorporated in England and Wales. Its registered Head Office is located at Holme Road, Bamber Bridge, Preston, Lancashire, PR5 6BP.

The Company's principal activities and nature of its operations are disclosed in the Director's Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

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

The following principal accounting policies have been applied:

W. H. BOWKER INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.2 Going concern

The Company and the W.H. Bowker Limited Group of Companies (to which the Company is associated) have obtained funding from a combination of BMW Financial Services (GB) Limited, Volkswagen Financial Services (UK) Limited, VFS Financial Services Limited and HSBC Bank plc.

The BMW Financial Services (GB) Limited loans are due to be repaid by September 2038. No covenants are attached to these loans. The HSBC Bank plc loans are due to be repaid in March 2027. Loan to value and debt service covenants are attached to this loan, against which there is significant headroom. The working capital facilities provided by HSBC Bank plc are repayable on demand and reviewed annually. No covenants are attached to the working capital facilities of the Company and associated Group of Companies.

An intercreditor agreement exists between the Company, associated Group of Companies and certain finance providers; and cross company guarantees are in place between the Group and associated companies with reference to the relevant aspects of financing with these finance providers.

The overdraft facility is provided by HSBC Bank plc, along with an invoice discounting facility, both of which support the Group and its associated companies. The facilities are due for renewal in October 2023 and based on discussions with the bank the Directors have no reason to believe that these facilities will not be renewed.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking into account reasonably possible downsides, the Company will have sufficient funds through its overdraft facility and, if necessary, support from the W.H. Bowker Limited Group of Companies, to meet its liabilities as they fall due for that period.

W.H. Bowker Limited has indicated its intention to continue to make available such funds as are needed by the Company. As with any Company placing reliance on other Group entities for financial support, the Directors acknowledge that there can be no certainty that this support will be provided but, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

W. H. BOWKER INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.3 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:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Finance costs

Finance costs are generally charged to the Statement of Comprehensive Income as incurred except finance costs directly attributable to the construction of tangible fixed assets, which are capitalised as part of the cost of the assets.

2.5 Pensions

During the year the Company made contributions to a defined contribution money purchase scheme, a defined contribution Executive scheme and a Company personal pension arrangement. The contributions charged to the Statement of Comprehensive Income account represent amounts to be paid to the schemes in respect of the year.

2.6 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the Balance Sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling at the date of the transaction.

Exchange gains are recognised in the Statement of Comprehensive Income.

W. H. BOWKER INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.7 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term or their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a contract periodic rate of charge on the net obligation outstanding in each period.

Lease payments in respect of operating leases, under which substantially all the risks and benefits of ownership remain with the lessor, are charged to the income statement on a straight line basis over the life of the lease with dilapidation provisions recognised accordingly.

2.8 Operating leases: the Company as lessee

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

2.9 Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Full provision is made for deferred tax and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computations. The net deferred tax is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are not discounted.

2.10 Tangible fixed assets

Tangible fixed 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.

W. H. BOWKER INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.10 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following basis.

The estimated useful lives range as follows:

Freehold property	- 2% on cost
Long-term leasehold property	- 2% on cost
Short-term leasehold property	- over the life of the leases
Motor vehicles	- 25% on cost
Fixtures and fittings	- varying between 10% and 33% on cost

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 profit or loss.

2.11 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.

2.12 Cash and cash equivalents

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

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

2.13 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.

W. H. BOWKER INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.14 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 profit or loss 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.

2.15 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, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

Key sources of estimation uncertainty

The Directors consider the key judgements and uncertainties relevant to the financial statements to be in respect of the carrying value of debtors. The Directors apply their experience and knowledge of the industry to determine whether the carrying values are appropriate, and where necessary make provisions to reduce the carrying value.

The Directors have the following estimates and assumptions regarding the future, and made some significant judgements in applying the Group's accounting policies. These are summarised below:

- Bad debt provisions - the Company makes allowance for doubtful debts based on an assessment of their recoverability. A provision is applied to amounts receivable where events or changes in circumstances indicate that the carrying amounts may not be recoverable.

4. Turnover

An analysis of turnover by class of business is as follows:

	2022	2021
	£000	£000
Transport of goods	18,116	15,162
Storage and additional services	1,446	1,365
	19,562	16,527

5. Other operating income

	2022	2021
	£000	£000
Government grants receivable	-	37
	-	37

W. H. BOWKER INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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6. Operating profit

The operating profit is stated after charging:

	2022	2021
	£000	£000
Depreciation of tangible fixed assets owned by the Company	300	328
Depreciation of tangible fixed assets held under finance leases	130	58
(Profit) on disposal of fixed assets	(57)	(5)
Operating lease rentals - plant and machinery	137	17
Operating lease rentals - other	149	312
	<u>149</u>	<u>312</u>

7. Auditors' remuneration

	2022	2021
	£000	£000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	21	14
	<u>21</u>	<u>14</u>

Fees payable to the Company's auditor and its associates in respect of:

Taxation compliance services	4	3
All other services	-	1
	<u>4</u>	<u>4</u>
	<u>4</u>	<u>4</u>

W. H. BOWKER INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Employees

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

	2022	2021
	£000	£000
Wages and salaries	2,017	1,884
Social security costs	214	182
Cost of defined contribution scheme	122	108
	2,353	2,174

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

	2022	2021
	No.	No.
Drivers and other direct	41	39
Management, administrative, sales and service staff	24	23
	65	62

9. Directors' remuneration

	2022	2021
	£000	£000
Directors' emoluments	322	303
Company contributions to defined contribution pension scheme	38	30
	360	333

During the year retirement benefits were accruing to 1 director (2021: nil) in respect of defined contribution pension schemes.

10. Interest payable and similar expenses

	2022	2021
	£000	£000
Bank interest payable	38	49
	38	49

W. H. BOWKER INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

11. Taxation

	2022 £000	2021 £000
Corporation tax		
Current tax on profits for the year	51	34
Adjustments in respect of previous periods	(2)	-
Total current tax	<u>49</u>	<u>34</u>
Deferred tax		
Origination and reversal of timing differences	125	127
Changes to tax rates	-	45
Adjustments in respect of prior periods	3	-
Total deferred tax	<u>128</u>	<u>172</u>
Taxation on profit on ordinary activities	<u>177</u>	<u>206</u>

W. H. BOWKER INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

The tax assessed for the year is higher than (2021 - *higher than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	2021 £000
Profit on ordinary activities before tax	870	752
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	165	143
Effects of:		
Expenses not deductible for tax purpose	1	1
Fixed asset timing differences	(20)	(13)
Adjustments to tax charge in respect of prior periods	(2)	-
Adjustments to tax charge in respect of prior periods - deferred tax	3	-
Remeasurement of deferred tax for change in tax rate	30	75
Total tax charge for the year	177	206

Factors that may affect future tax charges

The increase in the UK Corporation tax rate from 19% to 25% (effective from 1 April 2023) has been substantively enacted. This will impact the Company's future tax charge accordingly. The value of the deferred tax balance at the statement of financial position date has been calculated using the applicable rate when the balance is expected to be realised.

W. H. BOWKER INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Tangible fixed assets

	Freehold property £000	Motor vehicles £000	Fixtures and fittings £000	Total £000
Cost or valuation				
At 1 January 2022	2,426	2,813	917	6,156
Additions	20	580	74	674
Disposals	-	(658)	(74)	(732)
At 31 December 2022	<u>2,446</u>	<u>2,735</u>	<u>917</u>	<u>6,098</u>
Depreciation				
At 1 January 2022	986	1,366	734	3,086
Charge for the year	67	304	59	430
Disposals	-	(541)	(48)	(589)
At 31 December 2022	<u>1,053</u>	<u>1,129</u>	<u>745</u>	<u>2,927</u>
Net book value				
At 31 December 2022	<u>1,393</u>	<u>1,606</u>	<u>172</u>	<u>3,171</u>
At 31 December 2021	<u>1,440</u>	<u>1,447</u>	<u>183</u>	<u>3,070</u>

At 31 December 2022, included within the net book value of land and buildings is freehold land buildings of £202,000 (2021: £203,000) and long term leasehold buildings of £1,191,000 (2021: £1,237,000).

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

	2022 £000	2021 £000
Vehicles and trailers	467	151
	<u>467</u>	<u>151</u>

W. H. BOWKER INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

13. Debtors

	2022 £000	2021 £000
Due after more than one year		
Amounts owed by related parties	-	1,533
	<u>-</u>	<u>1,533</u>
	2022 £000	2021 £000
Due within one year		
Trade debtors	2,584	2,482
Amounts owed by related parties	1,846	2,009
Other debtors	181	-
Prepayments and accrued income	128	118
Corporation tax repayable	227	23
Other taxes and social security	-	178
	<u>4,966</u>	<u>4,810</u>

14. Cash and cash equivalents

	2022 £000	2021 £000
Cash at bank and in hand	3,150	536
Less: bank overdrafts	(637)	(229)
	<u>2,513</u>	<u>307</u>

W. H. BOWKER INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Creditors: Amounts falling due within one year

	2022	<i>2021</i>
	£000	<i>£000</i>
Bank overdrafts	637	<i>229</i>
Trade creditors	1,837	<i>1,506</i>
Amounts owed to related parties	14	<i>159</i>
Obligations under finance lease and hire purchase contracts	84	<i>122</i>
Other creditors	83	<i>-</i>
Accruals and deferred income	271	<i>309</i>
	2,926	<i>2,325</i>

Bank loans and overdrafts relate to invoice discontinuing facilities secured over the Company's assets as described in note 20.

Obligations under finance lease and hire purchase agreements are effectively secured upon the assets to which the agreement relates.

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

	2022	<i>2021</i>
	£000	<i>£000</i>
Net obligations under finance leases and hire purchase contracts	354	<i>438</i>
	354	<i>438</i>

Obligations under finance lease and hire purchase agreements are effectively secured upon the assets to which the agreement relates.

W. H. BOWKER INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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17. Deferred taxation

	2022 £000
At beginning of year	313
Charged to profit or loss	128
At end of year	441

The provision for deferred taxation is made up as follows:

	2022 £000	2021 £000
Accelerated capital allowances	464	325
Other timing differences	(23)	(12)
	441	313

18. Share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
46,240 (2021: 46,240) Ordinary Shares shares of £1.00 each	46	46

19. Reserves

Capital redemption reserve

A capital redemption reserve is created when a Company buys its own shares which reduces its share capital. The balance on this reserve as at 31 December 2022 is £8,000 (2021: £8,000).

Profit and loss account

Includes all current & prior periods retained profits & losses.

W. H. BOWKER INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

20. Contingent liabilities

The W.H. Bowker Limited Group (a Group under common control) has obtained funding from a combination of structured term-loans provided by BMW Financial Services (GB) Limited and working capital facilities provided by HSBC Bank plc. The term loans provided by BMW Financial Services (GB) Limited are to be repaid over 20 years and are secured by fixed charges over the properties of Bowker Blackburn Limited, Bowker Preston Limited and Bowker Performance Cars Limited. At 31 December 2022, the potential liability under cross-company guarantees in respect of these term loans was £13,342,000 (2021: £13,824,000).

The working capital facilities provided by HSBC Bank plc are secured over the Group's assets and are reviewed annually. The facilities are due for renewal in October 2023, and based on discussions with the bank the Directors have no reason to believe that these facilities will not be renewed on the same terms.

21. Pension commitments

During the year, the Company made contributions of £122,000 to defined contribution schemes (2021: £108,000). No amounts were outstanding at year end (2021: £nil).

The assets of the pension schemes are held separately from those of the Company in independently administered funds.

22. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022	2021
	£000	£000
Not later than 1 year	197	137
Later than 1 year and not later than 5 years	68	66
	265	203

W. H. BOWKER INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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23. Related party transactions

During the year, the Company has traded with members of the W.H. Bowker Limited Group of Companies, all of whom are controlled by the same controlling party as W.H. Bowker International Limited. During the year, the following transactions took place:

Value of goods and services purchased in the year from:

W.H. Bowker Limited £1,264,000 (2021: £819,000)

W.H. Bowker (Rochdale) Limited £39,000 (2021: £nil)

Value of goods and services sold in the year to:

W.H. Bowker Limited £195,000 (2021: £143,000)

W.H. Bowker (Rochdale) Limited £nil (2021: £nil)

At 31 December 2022, the following amounts were due from:

W.H. Bowker Limited £1,832,000 (2021: £24,000)

W.H. Bowker (Rochdale) Limited £14,000 (2021: £nil)

At 31 December 2022, the following amounts were due to:

W.H. Bowker Limited £nil (2021: £159,000)

W.H. Bowker (Rochdale) Limited £14,000 (2021: £nil)

In addition, the Company has a loan balance receivable outstanding with W.H. Bowker Limited of £nil (2021: £3,533,000). Interest is charged on the loan at 1.25% above LIBOR per annum.

As trustees of the Willeth Pension Fund, Mr KN Bowker, Mrs HM Bowker, Mr WH Bowker Jnr, Mr KN Bowker Jnr and Mr AP Bowker are interested in rent paid to the Willeth Pension Fund of £109,000 (2021: £109,000). There were no amounts outstanding at the year end in respect of this rent.

24. Controlling party

The Company is controlled by the Bowker family who constitute the majority of the Board of Directors.