
W H BOWKER INTERNATIONAL LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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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 auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditors
4 Hardman Square
Spinningfields
Manchester
M3 3EB

Bankers

HSBC Bank PLC
49a Fishergate
Preston
PR1 8BH

W H BOWKER INTERNATIONAL LIMITED

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W H BOWKER INTERNATIONAL LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Introduction

The Directors present their Strategic Report and audited financial statements for the year ended 31 December 2020.

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.

Brexit

On 23 December 2020, the UK agreed the basis for its future trading arrangements with the European Union. From 1 January 2021, the trade and movement of goods between the UK and the EU will be subject to the new terms and rules outlined in the agreement.

In anticipation of these changes, the Company ensured that it was positioned as an Authorised Economic Operator and put in place a Duty Deferment Agreement with HM Revenue and Customs.

In the short term the Company does not foresee any issues affecting its ability to do business, albeit the Directors acknowledge there will be some challenges as businesses familiarise themselves with the new requirements. However, the Directors believe the Company has the knowledge, flexibility and experience to react quickly to change its processes and systems to deal with any operational challenges and to assist customers such that any disruption to their business is minimised.

The medium-term macro-economic impact on the UK economy remains uncertain. A slowdown in economic activity has the potential to adversely impact the disposable income of our customers and consumer confidence. However, the Directors acknowledge that this will be industry-wide, and the Company has the working capital facilities available to navigate any turbulent economic trading conditions.

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.

W H BOWKER INTERNATIONAL LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Interest rate risk

The rate of interest on the Company's borrowings are linked to the underlying Bank of England base rate. The Directors believe the low Bank of England base rate will help to stimulate the economy from which the business believes it can benefit. However, any future increase in interest rates could result in a negative impact on the Company's overall profitability.

Interest rates also have a direct relationship with consumer spending habits. Any increase in interest rates may therefore reduce overall consumer spending and have a detrimental impact on trade. However, given the current economic climate alongside low levels of inflation, the general consensus from the Bank of England is that interest rates will remain stable for the foreseeable future.

The transition from LIBOR to SONIA by the end of 2021 by most UK lenders is not expected to result in a material difference to the Group's interest costs or interest rate risk profile.

Other risk

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 where possible 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.

Key performance indicators

The key performance indicators for the business are turnover, gross profit, earnings before interest, tax, depreciation and amortisation (Adjusted EBITDA), and profit before tax.

	2020	2019
	£000	£000
Turnover	14,064	14,895
Gross profit	2,517	2,560
Profit before tax	443	412
Adjusted EBITDA		
Operating profit	461	428
CJRS grant income	(88)	
Depreciation	361	388
Profit on sale of fixed assets	(1)	(5)
Adjusted EBITDA	733	811

W H BOWKER INTERNATIONAL LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Business review

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

The Transport, Distribution and Warehousing business had a very positive 2019 as many Companies have sought to build stocks due to the uncertainty of Brexit. The Directors were pleased that this positive momentum continued into 2020, alongside increased activity arising due to the Covid-19 pandemic, and the Company sought to capitalise on the fact that demand for warehousing space continued to outstrip supply.

The Covid-19 outbreak was declared as a global health emergency by the World Health Organisation (WHO) on 31 January 2020, a pandemic on 11 March 2020, and the UK placed into lockdown on 23 March 2020. At the start of the pandemic, rapid and decisive action was taken to protect cash. The Company utilised Government support measures via the Coronavirus Job Retention Scheme (CJRS) and through the VAT deferral.

Despite the wider economic impact of Covid-19, and the ongoing operational challenges such as increased social distancing measures and PPE requirements, demand for distribution and storage remained high and the business continued to operate "business as usual" where possible. The Company showed agility in responding to changing restrictions during the remainder of the year.

The Company continues to invest in its systems and people, and these continue to result in operational efficiencies, as demonstrated by improvements in the Company's profit margins.

This report was approved by the board on 12 July 2021 and signed on its behalf.

Andy Gee

A J Gee
Director

W H BOWKER INTERNATIONAL LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The Directors present their report and the financial statements for the year ended 31 December 2020.

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

Results and dividends

The profit for the year, after taxation, amounted to £332k (2019: £322k).

The Directors do not recommend the payment of a dividend (2019: £Nil).

Going concern

The Company and associated Group of Companies has obtained funding from a combination of BMW Financial Services Limited, Lancashire County Council and HSBC Bank PLC.

The Lancashire County Council loan was repaid in June 2021, and the BMW Financial Services Limited loans are due to be repaid by September 2038. The workings capital facilities provided by HSBC Bank PLC are repayable on demand and reviewed annually. No covenants are attached to the banking facilities of the Company and associated Group of Companies.

The overdraft facility is provided by HSBC Bank PLC, along with an invoice discounting facility, both of which support the Company and associated Group of Companies. The facilities are due for renewal in October 2021 and based on discussions with the bank the Directors have no reason to believe that these facilities will not be renewed.

Based on the available facilities alongside the current economic outlook, the Directors have prepared cash flow forecast 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 to continue in operational existence for the foreseeable future and therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

WH 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.

Future developments

The withdrawal of P&O from the Hull-Zeebrugge ferry route on 1 January 2021 has resulted in the Company having to plan shipping routes to Europe from Killingholme.

The Directors look for continued improvements to profitability during 2021 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.

W H BOWKER INTERNATIONAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Qualifying third party indemnity provisions

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

Post balance sheet events

There have been no adjustments arising from the post balance sheet period. The impact of both Brexit and Covid-19 are discussed in detail in the Strategic Report within these financial statements.

Auditor

The auditor, 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 July 2021 and signed on its behalf.



A J Gee
Director

W H BOWKER INTERNATIONAL LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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, 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 and 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 judgements 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to the auditors

The Directors confirm that:

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



INDEPENDENT AUDITOR'S 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 2020, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity, the Analysis of Net Debt 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 2020 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. 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 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 and Covid-19, 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.



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

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

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

The responsibilities of the Directors with respect to going concern are described in the 'Responsibilities of Directors for the financial statements' section of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. 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.

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 this 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 the Directors' Report have been prepared in accordance with applicable legal requirements.



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

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 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, 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.



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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company, and the industry in which it operates. We determined the Companies Act 2006 to be the most significant laws and regulations to the entity. We enquired of management whether there were any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected fraud. We corroborated the results of our enquiries to supporting documentation. From the procedures performed we did not identify any matters relating to non-compliance with laws and regulation or matters in relation to fraud.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - evaluation of the processes and controls established to address the risks related to irregularities and fraud;
 - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
 - identifying and testing related party transactions.
- 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 client operates in and understanding of, and practical experience through training and participation with audit engagements of a similar nature;
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Company's operations, including the nature of its revenue sources, expected financial statement disclosures and business risks that may result in risk of material misstatement and
 - the Company's control environment including the adequacy of procedures for authorisation of transactions.



**INDEPENDENT AUDITOR'S 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 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.

Grant Thornton UK LLP

Michael Frankish
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester

12 July 2021

W H BOWKER INTERNATIONAL LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £000	2019 £000
Turnover	4	14,064	14,895
Cost of sales		(11,547)	(12,335)
Gross profit		2,517	2,560
Administrative expenses		(2,144)	(2,142)
Other operating income	5	88	10
Operating profit		461	428
Interest payable and expenses	10	(18)	(16)
Profit before tax		443	412
Tax on profit	11	(111)	(90)
Profit for the financial year		332	322

There was no other comprehensive income for 2020 (2019: £Nil).

All amounts relate to continuing operations.

The notes on pages 18 to 32 form part of these financial statements.

W H BOWKER INTERNATIONAL LIMITED
REGISTERED NUMBER:00531067

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	12	2,919	3,019
		<u>2,919</u>	<u>3,019</u>
Current assets			
Debtors (including £1,100,000 (2019: £3,500,000) due after more than one year)	13	5,440	6,945
Cash at bank and in hand	14	1,239	91
		<u>6,679</u>	<u>7,036</u>
Creditors: amounts falling due within one year	15	(2,570)	(3,213)
Net current assets		<u>4,109</u>	<u>3,823</u>
Total assets less current liabilities		<u>7,028</u>	<u>6,842</u>
Creditors: amounts falling due after more than one year	16	(560)	(710)
Provisions for liabilities			
Deferred tax	17	(141)	(137)
		<u>(141)</u>	<u>(137)</u>
Net assets		<u><u>6,327</u></u>	<u><u>5,995</u></u>
Capital and reserves			
Called up share capital	18	46	46
Capital redemption reserve	19	8	8
Profit and loss account	19	6,273	5,941
		<u>6,327</u>	<u>5,995</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 July 2021.

A J Gee
 Director

Andy Gee

The notes on pages 18 to 32 form part of these financial statements.

W H BOWKER INTERNATIONAL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2020	46	8	5,941	5,995
Comprehensive income for the year				
Profit for the year	-	-	332	332
Total comprehensive income for the year	-	-	332	332
At 31 December 2020	46	8	6,273	6,327

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2019	46	8	5,619	5,673
Comprehensive income for the year				
Profit for the year	-	-	322	322
Total comprehensive income for the year	-	-	322	322
At 31 December 2019	46	8	5,941	5,995

The notes on pages 18 to 32 form part of these financial statements.

W H BOWKER INTERNATIONAL LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020	2019
	£000	£000
Cash flows from operating activities		
Profit for the financial year	332	322
Adjustments for:		
Depreciation of tangible assets	361	388
Loss on disposal of tangible assets	(1)	(5)
Interest paid	18	16
Taxation charge	111	90
Decrease/(increase) in debtors	1,504	(759)
Increase/(decrease) in creditors	284	(831)
Corporation tax (paid)/received	(152)	-
Net cash generated from operating activities	2,457	(779)
Cash flows from investing activities		
Purchase of tangible fixed assets	(29)	(44)
Sale of tangible fixed assets	1	90
Net cash from investing activities	(28)	46

W H BOWKER INTERNATIONAL LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	£000	£000
Cash flows from financing activities		
Repayment of/new finance leases	(445)	(298)
Interest paid	(18)	(16)
Net cash used in financing activities	<u>(463)</u>	<u>(314)</u>
Net increase/(decrease) in cash and cash equivalents	<u>1,966</u>	<u>(1,047)</u>
Cash and cash equivalents at beginning of year	(940)	107
Cash and cash equivalents at the end of year	<u><u>1,026</u></u>	<u><u>(940)</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,239	91
Bank overdrafts	(213)	(1,031)
	<u><u>1,026</u></u>	<u><u>(940)</u></u>

The notes on pages 18 to 32 form part of these financial statements.

W H BOWKER INTERNATIONAL LIMITED

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	At 1 January 2020 £000	Cash flows £000	At 31 December 2020 £000
Cash at bank and in hand	91	1,148	1,239
Bank overdrafts	(1,031)	818	(213)
Finance leases	(923)	213	(710)
	(1,863)	2,179	316

The notes on pages 18 to 32 form part of these financial statements.

W H BOWKER INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

W.H.Bowker International 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 judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The Company and associated Group of Companies has obtained funding from a combination of BMW Financial Services Limited, Lancashire County Council and HSBC Bank PLC.

The Lancashire County Council loan was repaid in June 2021, and the BMW Financial Services Limited loans are due to be repaid by September 2038. The workings capital facilities provided by HSBC Bank PLC are repayable on demand and reviewed annually. No covenants are attached to the banking facilities of the Company and associated Group of Companies.

The overdraft facility is provided by HSBC Bank PLC, along with an invoice discounting facility, both of which support the Company and associated Group of Companies. The facilities are due for renewal in October 2021 and based on discussions with the bank the Directors have no reason to believe that these facilities will not be renewed.

Based on the available facilities alongside the current economic outlook, the Directors have prepared cash flow forecast 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 to continue in operational existence for the foreseeable future and therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

WH 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.

W H BOWKER INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.3 Turnover**

Turnover comprises of revenue recognised by the Company in respect of goods and services supplied exclusive of VAT and trade discounts. The turnover excludes maintenance and admin charges made to associate Companies.

Rendering of services

Revenue 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 revenue 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 and losses are recognised in the Statement of Comprehensive Income.

W H BOWKER INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

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 2020**

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 the Statement of Comprehensive Income.

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 2020**

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 the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

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.

W H BOWKER INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.15 Financial instruments (continued)**

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Judgements in applying accounting policies and 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 do not believe there are significant estimates and assumptions used in the financial statements which would give rise to a material adjustment to the carrying values of assets and liabilities within the next financial year.

4. Turnover

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

	2020	2019
	£000	£000
Transportation of goods	12,882	13,734
Storage and additional services	1,182	1,161
	14,064	14,895

5. Other operating income

	2020	2019
	£000	£000
Other operating income	88	10

W H BOWKER INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Operating profit

The operating profit is stated after charging:

	2020	2019
	£000	£000
Depreciation of tangible fixed assets		
- owned by the Company	144	124
- held under finance leases	217	264
(Profit) on disposal of fixed assets	(1)	(5)
Operating lease rentals		
- plant and machinery	21	18
- other operating leases	243	172
	=====	=====

7. Auditor's remuneration

	2020	2019
	£000	£000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	16	15
	=====	=====

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

Taxation compliance services	4	3
Other services	6	-
	=====	=====
	10	3
	=====	=====

W H BOWKER INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Employees

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

	2020	2019
	£000	£000
Wages and salaries	1,642	1,455
Social security costs	158	146
Cost of defined contribution scheme	101	101
	1,901	1,702

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

	2020	2019
	No.	No.
Drivers and other direct	47	36
Management, administrative, sales and service staff	22	21
	69	57

9. Directors' remuneration

	2020	2019
	£000	£000
Directors' emoluments	286	262
Company contributions to defined contribution pension schemes	22	21
	308	283

During the year retirement benefits were accruing to 1 Director (2019: 1) in respect of defined contribution pension schemes.

10. Interest payable and similar expenses

	2020	2019
	£000	£000
On finance leases and hire purchase contracts	18	16

W H BOWKER INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. Taxation

	2020	2019
	£000	£000
Corporation tax		
Current tax on profits for the year	107	95
Total current tax	107	95
Deferred tax		
Origination and reversal of timing differences	(12)	(5)
Changes to tax rates	16	-
Total deferred tax	4	(5)
Taxation on profit on ordinary activities	111	90

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019: *higher than*) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020	2019
	£000	£000
Profit on ordinary activities before tax	443	412
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	84	78
Effects of:		
Fixed asset timing differences	10	10
Expenses not deductible for tax purposes	1	1
Adjust closing deferred tax to average rate	-	(16)
Adjust opening deferred tax to average rate	16	17
Total tax charge for the year	111	90

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

W H BOWKER INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Tangible fixed assets

	Land and buildings £000	Vehicles and trailers £000	Furniture, fittings and equipment £000	Total £000
Cost or valuation				
At 1 January 2020	2,331	2,752	899	5,982
Additions	-	234	27	261
Disposals	-	(32)	-	(32)
At 31 December 2020	<u>2,331</u>	<u>2,954</u>	<u>926</u>	<u>6,211</u>
Depreciation				
At 1 January 2020	910	1,312	741	2,963
Charge for the year	53	267	41	361
Disposals	-	(32)	-	(32)
At 31 December 2020	<u>963</u>	<u>1,547</u>	<u>782</u>	<u>3,292</u>
Net book value				
At 31 December 2020	<u>1,368</u>	<u>1,407</u>	<u>144</u>	<u>2,919</u>
At 31 December 2019	<u>1,421</u>	<u>1,440</u>	<u>158</u>	<u>3,019</u>

At 31 December 2020, included within the net book value of land and buildings is freehold land buildings of £86,000 (2019: £91,000) and long term leasehold buildings of £1,284,000 (2019: £1,330,000).

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

	2020 £000	2019 £000
Vehicles and trailers	953	1,293
Plant	23	46
	<u>976</u>	<u>1,339</u>

W H BOWKER INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Debtors

	2020	2019
	£000	£000
Trade debtors	2,606	2,342
Amounts owed by related parties	2,689	4,490
Prepayments and accrued income	145	113
	<u>5,440</u>	<u>6,945</u>

Amounts owed by related parties are unsecured, have interest charged at 1.75% above LIBOR, have no fixed date of repayment and are repayable on demand within 365 days from the date of notice.

14. Cash and cash equivalents

	2020	2019
	£000	£000
Cash at bank and in hand	1,239	91
Less: bank overdrafts	(213)	(1,031)
	<u>1,026</u>	<u>(940)</u>

W H BOWKER INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Creditors: Amounts falling due within one year

	2020	2019
	£000	£000
Bank overdrafts	213	1,031
Trade creditors	1,609	1,393
Amounts owed to related parties	32	159
Corporation tax	62	107
Other taxation and social security	197	98
Obligations under finance lease and hire purchase contracts	150	213
Accruals and deferred income	307	212
	<u>2,570</u>	<u>3,213</u>

Banks 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.

Amounts owed to related parties are unsecured, have interest charged at 1.25% above LIBOR, have no fixed date of repayment and are repayable on demand within 365 days from the date of notice.

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

	2020	2019
	£000	£000
Obligations under finance lease and hire purchase contracts	<u>560</u>	<u>710</u>

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

17. Deferred taxation

	2020
	£000
At beginning of year	(137)
Charged to profit or loss	(4)
At end of year	<u><u>(141)</u></u>

W H BOWKER INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

17. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2020	2019
	£000	£000
Accelerated capital allowances	150	140
Other timing differences	(9)	(3)
	<u>(141)</u>	<u>(137)</u>

Following the budget announcement on 11 March 2020 the corporation tax rate applicable from 1 April 2020 remains at 19%, rather than the previously enacted reduction to 17%. Therefore, deferred tax has been measured using the substantively enacted rate of 19% at the year end.

This is a non-adjusting post Balance sheet event and therefore deferred taxes at the Balance sheet date continue to be measure at the enacted tax rate of 17%.

18. Share capital

	2020	2019
	£000	£000
Allotted, called up and fully paid		
46,240 (2019: 46,240) Ordinary shares of £1.00 each	46	46

There is a single class of ordinary shares. There are no restrictions on dividends and they repayment of capital.

19. Reserves**Capital redemption reserve**

Capital redemption reserve is created when a Company buys its own shares which reduces its share capital.

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 2020**

20. Contingent liabilities

In September 2018 the WH Bowker Limited Group (a Group under common control) refinanced and obtained funding from a combination of structured term-loans provided by BMW Financial Services Limited and Lancashire County Council, and working capital facilities provided by HSBC Bank PLC. The term loans provided by BMW Financial Services 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 2020, the potential liability under cross-company guarantees in respect of these term loans was £14,947,000 (2019: 15,347,000).

The working capital facilities provided by HSBC Bank PLC are secured over the Group and the Company's assets and are reviewed annually. The facilities are due for renewal in October 2021, 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 £21,000 to defined contribution schemes (2019: £101,000). No amounts were outstanding at year end (2019: £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 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020	2019
	£000	£000
Not later than 1 year	138	172
Later than 1 year and not later than 5 years	322	-
	460	172

W H BOWKER INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

23. Related party transactions

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

Value of goods and services purchased in the year from:
WH Bowker Limited £226,000 (2019: £1,451,000)

Value of goods and services sold in the year to:
WH Bowker Limited £371,000 (2019: £453,000)

At 31 December 2020, the following amounts were due from:
WH Bowker Limited £1,767,000 (2019: £875,000)

In addition, the Company has a loan balance receivable outstanding with WH Bowker Limited of £1,100,000 (2019: £3,500,000). 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 £172,000 (2019: £172,000). 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.