

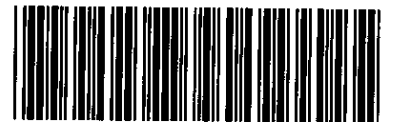
COMPANY REGISTRATION NUMBER: 00241294

E J Bowman (Birmingham) Limited
Financial Statements
31st July 2023

GARRATTS WOLVERHAMPTON LIMITED

Chartered accountants & statutory auditor
29 Waterloo Road
Wolverhampton
West Midlands
WV1 4DJ

TUESDAY



AD1MLDBV

A11

23/04/2024

#24

COMPANIES HOUSE

E J Bowman (Birmingham) Limited

Financial Statements

Year ended 31st July 2023

Contents	Pages
Strategic report	1
Directors' report	2 to 3
Independent auditor's report to the members	4 to 9
Statement of comprehensive income	10
Statement of financial position	11
Statement of cash flows	12
Notes to the financial statements	13 to 21

E J Bowman (Birmingham) Limited

Strategic Report

Year ended 31st July 2023

Principal activity

The principal activity of the company during the year was the manufacture of heat exchangers and oil coolers.

Business review

The directors report that the company has maintained its position within the market place. Turnover year-on-year increased by 13%. The market remains competitive and as such the company is remaining focused on maintaining high quality products and service to its customer base. The directors consider the company's position at the year end to be satisfactory.

Principal risks and uncertainties

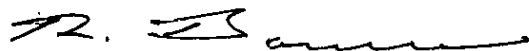
The key risks and uncertainties for the company are caused by International problems, such as the War in Ukraine, the Middle East troubles and China's threats against Taiwan.

These have caused big fluctuations in metal costs and exchange rates and also fluctuations in demand for our products.

Future Developments

The Company continues to investigate new applications and products.

This report was approved by the board of directors on 6th December 2023 and signed on behalf of the board by:



R K Bowman
Company Secretary

Registered office:
29 Waterloo Road
Wolverhampton
West Midlands
WV1 4DJ

E J Bowman (Birmingham) Limited

Directors' Report

Year ended 31st July 2023

The directors present their report and the financial statements of the company for the year ended 31st July 2023.

Principal activities

The principal activity of the company during the year was the manufacture of heat exchangers and oil coolers.

Financial instruments

Details of the company's financial risk management objectives and policies are included in note 22 to the accounts.

Directors

The directors who served the company during the year were as follows:

J E Bowman
R K Bowman

Both directors served throughout the year. Mr R K Bowman retires by rotation and, being eligible, offers himself for re-election.

Dividends

The directors do not recommend the payment of a dividend.

Disclosure of information in the strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 is set out in the Company's Strategic Report.

Directors' responsibilities statement

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and 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.

E J Bowman (Birmingham) Limited

Directors' Report *(continued)*

Year ended 31st July 2023

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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

This report was approved by the board of directors on 6th December 2023 and signed on behalf of the board by:



R K Bowman
Company Secretary

Registered office:
29 Waterloo Road
Wolverhampton
West Midlands
WV1 4DJ

E J Bowman (Birmingham) Limited

Independent Auditor's Report to the Members of E J Bowman (Birmingham) Limited

Year ended 31st July 2023

Opinion

We have audited the financial statements of E J Bowman (Birmingham) Limited (the 'company') for the year ended 31st July 2023 which comprise the statement of comprehensive income, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK 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 31st July 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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

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.

E J Bowman (Birmingham) Limited

Independent Auditor's Report to the Members of E J Bowman (Birmingham) Limited *(continued)*

Year ended 31st July 2023

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

Matters on which we are required to report by exception

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

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

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

E J Bowman (Birmingham) Limited

Independent Auditor's Report to the Members of E J Bowman (Birmingham) Limited *(continued)*

Year ended 31st July 2023

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

E J Bowman (Birmingham) Limited

Independent Auditor's Report to the Members of E J Bowman (Birmingham) Limited *(continued)*

Year ended 31st July 2023

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.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets;
- Results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- Any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:-
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- The matters discussed among the audit engagement team and involving relevant internal specialists, including tax regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of the procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- Understatement of turnover

E J Bowman (Birmingham) Limited

Independent Auditor's Report to the Members of E J Bowman (Birmingham) Limited *(continued)*

Year ended 31st July 2023

- Overstatement of expenses
- Understatement of current assets and overstatement of current liabilities

In common with all audits under ISAs (UK), we were also required to perform specific procedures to respond to the risks of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, pensions legislation and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or avoid a material penalty. These included health and safety legislation.

Audit response to risks identified

As a result of performing the above, we identified the recognition of turnover and point of sale and sales and purchase cut off as key audit matters related to the potential risk of fraud.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management, concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;
- Reading minutes of meetings of those charged with governance and reviewing correspondence with regulatory authorities; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

E J Bowman (Birmingham) Limited

Independent Auditor's Report to the Members of E J Bowman (Birmingham) Limited *(continued)*

Year ended 31st July 2023

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.



Raghubir Chaggar FCA (Senior Statutory Auditor)

For and on behalf of
Garratts Wolverhampton Limited
Chartered accountants & statutory auditor
29 Waterloo Road
Wolverhampton
West Midlands
WV1 4DJ

6th December 2023

E J Bowman (Birmingham) Limited

Statement of Comprehensive Income

Year ended 31st July 2023

	Note	2023 £	2022 £
Turnover	4	12,320,996	10,903,102
Cost of sales		<u>7,349,859</u>	6,533,671
Gross profit		4,971,137	4,369,431
Sales and distribution costs		485,406	464,712
Administrative expenses		<u>3,365,844</u>	3,171,600
Operating profit	5	1,119,887	733,119
Other interest receivable and similar income	9	6,756	232
Interest payable and similar expenses	10	<u>11,458</u>	–
Profit before taxation		1,115,185	733,351
Tax on profit	11	<u>235,269</u>	125,785
Profit for the financial year		<u>879,916</u>	<u>607,566</u>
Remeasurement of the net defined benefit plan on its closure		–	(715,100)
Total comprehensive income for the year		<u>879,916</u>	<u>(107,534)</u>

All the activities of the company are from continuing operations.

All the profit for the year and total comprehensive income for the year is attributable to owners of the parent.

The notes on pages 13 to 21 form part of these financial statements.

E J Bowman (Birmingham) Limited

Statement of Financial Position

31st July 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	68,550	101,271
Current assets			
Stocks	13	6,194,069	5,611,516
Debtors	14	2,039,170	1,970,145
Cash at bank and in hand		3,170,690	2,127,983
		<u>11,403,929</u>	<u>9,709,644</u>
Creditors: amounts falling due within one year	15	<u>5,318,656</u>	<u>4,532,895</u>
Net current assets		<u>6,085,273</u>	<u>5,176,749</u>
Total assets less current liabilities		<u>6,153,823</u>	<u>5,278,020</u>
Provisions	16	<u>4,229</u>	<u>8,342</u>
Net assets excluding defined benefit pension plan asset		<u>6,149,594</u>	<u>5,269,678</u>
Defined benefit pension plan asset	18	<u>666,000</u>	<u>666,000</u>
Net assets including defined benefit pension plan asset		<u>6,815,594</u>	<u>5,935,678</u>
Capital and reserves			
Called up share capital	19	4,500	4,500
Profit and loss account	20	6,811,094	5,931,178
Shareholders funds		<u>6,815,594</u>	<u>5,935,678</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the medium companies regime.

These financial statements were approved by the board of directors and authorised for issue on 6th December 2023, and are signed on behalf of the board by:



R K Bowman
Director

Company registration number: 00241294

The notes on pages 13 to 21 form part of these financial statements.

E J Bowman (Birmingham) Limited

Statement of Cash Flows

Year ended 31st July 2023

	2023 £	2022 £
Cash flows from operating activities		
Profit for the financial year	879,916	607,566
<i>Adjustments for:</i>		
Depreciation of tangible assets	50,213	62,790
Other interest receivable and similar income	(6,756)	(232)
Interest payable and similar expenses	11,458	–
Gains on disposal of tangible assets	(16,045)	–
Tax on profit	235,269	125,785
Accrued expenses	18,239	9,515
<i>Changes in:</i>		
Stocks	(582,553)	(990,895)
Trade and other debtors	(69,025)	(441,548)
Trade and other creditors	(240,369)	294,646
Cash generated from operations	<u>280,347</u>	(332,373)
Interest paid	(11,458)	–
Interest received	6,756	232
Tax paid	(152,295)	(103,214)
Net cash from/(used in) operating activities	<u>123,350</u>	(435,355)
Cash flows from investing activities		
Purchase of tangible assets	(17,492)	(2,930)
Proceeds from sale of tangible assets	16,045	–
Proceeds from sale of other investments	–	57,580
Proceeds from transfer of freehold improvements	–	156,219
Net cash (used in)/from investing activities	<u>(1,447)</u>	210,869
Cash flows from financing activities		
Proceeds from loans from group undertakings	920,804	542,424
Net cash from financing activities	<u>920,804</u>	542,424
Net increase in cash and cash equivalents	1,042,707	317,938
Cash and cash equivalents at beginning of year	2,127,983	1,810,045
Cash and cash equivalents at end of year	<u>3,170,690</u>	<u>2,127,983</u>

The notes on pages 13 to 21 form part of these financial statements.

E J Bowman (Birmingham) Limited

Notes to the Financial Statements

Year ended 31st July 2023

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 29 Waterloo Road, Wolverhampton, West Midlands, WV1 4DJ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

Research and development

Research and development is written off in the year in which it is incurred.

Judgements and key sources of estimation uncertainty

In the preparation of the financial statements, management makes certain judgements and estimates that impact the financial statements. The judgements, estimates and assumptions that have the most significant effect on the carrying value of assets and liabilities of the company as at 31 July 2023 are discussed below:-

Carrying value of stocks

Allowance for slow moving and loss making stock is based on estimates determined by market knowledge and past experience.

Taxation

Deferred tax liabilities are generally provided for in full and deferred tax assets are recognised to the extent that it is judged probable that future taxable profit will arise against which the temporary differences will be utilised.

Carrying value of trade and other receivables

Allowance for doubtful debt and provisions against other receivables, including amounts due on contract jobs and carrying value of accrued income, are made on a specific basis, based on estimates or irrecoverability determined by market knowledge and past experience.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied, stated net of discounts and of Value Added Tax.

Revenue from the sale of goods is recognised when the risks and rewards of ownership of the goods have transferred to the buyer, the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

E J Bowman (Birmingham) Limited

Notes to the Financial Statements *(continued)*

Year ended 31st July 2023

3. Accounting policies *(continued)*

Income tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax. Deferred tax assets are not recognised.

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

Foreign currencies

Transactions in foreign currencies are translated at the date of the transaction using the exchange rate set on the accounting software at the start of each month. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are taken to the profit and loss account.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	2% straight line
Plant & Equipment	-	10% straight line
Motor Vehicle	-	25% straight line
Computer Equipment	-	25% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

E J Bowman (Birmingham) Limited

Notes to the Financial Statements *(continued)*

Year ended 31st July 2023

3. Accounting policies *(continued)*

Stocks

Stocks of raw materials are valued at the lower of cost and net realisable value. Cost is determined on a first in first out basis.

Work in progress and finished goods

Work in progress and finished goods are valued on the basis of direct costs plus attributable overheads based on normal level of activity. Where the net realisable value is less than cost they are valued at the net realisable value. Due provision is made for slow moving or damaged stock.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Investments

The investment held as non trading current asset is stated at cost.

Trade and other debtors

Trade and other debtors are recognised and carried forward at invoiced amounts less provisions for any doubtful debts. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

Trade or other creditors

Trade and other creditors are recognised and carried forward at the amount of the obligation to transfer economical benefits as a result of a past transaction or events.

E J Bowman (Birmingham) Limited

Notes to the Financial Statements *(continued)*

Year ended 31st July 2023

3. Accounting policies *(continued)*

Defined benefit plans

The company's defined benefit scheme is in the process of being wound up. The Trustees have decided to refund the whole of the projected surplus of £666,000 to the company. The tax of 35% on the surplus has been provided for and shown as a creditor.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2023	2022
	£	£
Sale of goods	<u>12,320,996</u>	<u>10,903,102</u>

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2023	2022
	£	£
United Kingdom	3,350,406	3,449,528
European Union	4,936,362	4,100,858
Rest of world	4,034,228	3,352,716
	<u>12,320,996</u>	<u>10,903,102</u>

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2023	2022
	£	£
Depreciation of tangible assets	50,213	62,790
Gains on disposal of tangible assets	(16,045)	-
Impairment of trade debtors	250	(8,037)
Foreign exchange differences	49,872	(59,653)

6. Auditor's remuneration

	2023	2022
	£	£
Fees payable for the audit of the financial statements	<u>22,000</u>	<u>22,000</u>

E J Bowman (Birmingham) Limited

Notes to the Financial Statements *(continued)*

Year ended 31st July 2023

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2023	2022
	No	No
Production staff	24	26
Administrative staff	22	22
Management staff	3	3
	<u>49</u>	<u>51</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2023	2022
	£	£
Wages and salaries	2,734,841	2,650,127
Social security costs	329,087	311,443
Other pension costs	141,066	165,848
	<u>3,204,994</u>	<u>3,127,418</u>

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2023	2022
	£	£
Remuneration	<u>358,000</u>	<u>358,000</u>

Remuneration of the highest paid director in respect of qualifying services:

	2023	2022
	£	£
Aggregate remuneration	<u>179,000</u>	<u>179,000</u>

9. Other interest receivable and similar income

	2023	2022
	£	£
Interest on cash and cash equivalents	<u>6,756</u>	<u>232</u>

10. Interest payable and similar expenses

	2023	2022
	£	£
Other interest payable and similar charges	<u>11,458</u>	<u>—</u>

E J Bowman (Birmingham) Limited

Notes to the Financial Statements *(continued)*

Year ended 31st July 2023

11. Tax on profit

Major components of tax expense

	2023 £	2022 £
Current tax:		
UK current tax expense	239,382	150,041
Adjustments in respect of prior periods	–	(15,136)
Total current tax	<u>239,382</u>	<u>134,905</u>
Deferred tax:		
Origination and reversal of timing differences	(4,113)	(9,120)
Tax on profit	<u>235,269</u>	<u>125,785</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2022: lower than) the standard rate of corporation tax in the UK of 21.01% (2022: 19%).

	2023 £	2022 £
Profit on ordinary activities before taxation	1,115,185	733,351
Profit on ordinary activities by rate of tax	234,250	139,337
Adjustment to tax charge in respect of prior periods	–	(15,136)
Expenses not deductible for tax purposes	(520)	1,751
Additional allowances on super deduction	(18)	(167)
Effect of change in rate of tax	1,557	–
Tax on profit	<u>235,269</u>	<u>125,785</u>

12. Tangible assets

	Plant, equipment, fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost				
At 1st August 2022	1,435,585	148,912	561,661	2,146,158
Additions	–	15,995	1,497	17,492
Disposals	–	(46,800)	–	(46,800)
At 31st July 2023	<u>1,435,585</u>	<u>118,107</u>	<u>563,158</u>	<u>2,116,850</u>
Depreciation				
At 1st August 2022	1,371,268	137,980	535,639	2,044,887
Charge for the year	18,798	14,597	16,818	50,213
Disposals	–	(46,800)	–	(46,800)
At 31st July 2023	<u>1,390,066</u>	<u>105,777</u>	<u>552,457</u>	<u>2,048,300</u>
Carrying amount				
At 31st July 2023	<u>45,519</u>	<u>12,330</u>	<u>10,701</u>	<u>68,550</u>
At 31st July 2022	<u>64,317</u>	<u>10,932</u>	<u>26,022</u>	<u>101,271</u>

E J Bowman (Birmingham) Limited

Notes to the Financial Statements *(continued)*

Year ended 31st July 2023

13. Stocks

	2023 £	2022 £
Raw materials	4,758,802	4,199,249
Work in progress and finished goods	1,435,267	1,412,267
	<u>6,194,069</u>	<u>5,611,516</u>

14. Debtors

	2023 £	2022 £
Trade debtors	1,938,907	1,748,707
Prepayments and accrued income	82,842	148,036
Other debtors	17,421	73,402
	<u>2,039,170</u>	<u>1,970,145</u>

15. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	474,202	718,176
Amounts owed to group undertakings	3,988,932	3,068,128
Accruals and deferred income	105,411	87,172
Corporation tax	398,089	311,002
Social security and other taxes	118,922	115,317
Tax on pension surplus	233,100	233,100
	<u>5,318,656</u>	<u>4,532,895</u>

16. Provisions

	Deferred tax (note 17) £
At 1st August 2022	8,342
Charge against provision	(4,113)
At 31st July 2023	<u>4,229</u>

17. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2023 £	2022 £
Included in provisions (note 16)	<u>4,229</u>	<u>8,342</u>

E J Bowman (Birmingham) Limited

Notes to the Financial Statements *(continued)*

Year ended 31st July 2023

18. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £141,066 (2022: £165,848).

Defined benefit plans

The company's defined benefit scheme is in the process of being wound up. The Trustees have decided to refund the whole of the projected surplus of £666,000 to the company. The tax of 35% on the surplus has been provided for and shown as a creditor.

19. Called up share capital

Issued, called up and fully paid

	2023		2022	
	No	£	No	£
Ordinary shares of £1 each	<u>4,500</u>	<u>4,500</u>	<u>4,500</u>	<u>4,500</u>

Ordinary shares are voting and ranked pari passu and have no restrictions on the distribution of dividends and the repayment of capital.

20. Reserves

Called up share capital - This reserve represents the nominal value of shares that have been issued.

Profit and loss account - This reserve includes all current and prior period retained profits and losses.

21. Analysis of changes in net debt

	At 1 Aug 2022	Cash flows	At 31 Jul 2023
	£	£	£
Cash at bank and in hand	2,127,983	1,042,707	3,170,690
Debt due within one year	(3,068,128)	(920,804)	(3,988,932)
	<u>(940,145)</u>	<u>121,903</u>	<u>(818,242)</u>

E J Bowman (Birmingham) Limited

Notes to the Financial Statements *(continued)*

Year ended 31st July 2023

22. Financial risk management objectives and policies

The company holds or issues financial instruments in order to achieve two main objectives, being:

- (a) to finance its operations;
- (b) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

Credit risk

The company monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk.

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

Currency risk

The company's objective is to protect itself against its exposure to exchange rate risk through the use of foreign currency bank accounts for transactions in foreign currencies.

Price risk

The company's objective is to maintain competitiveness in pricing by closely monitoring the market conditions.

23. Related party transactions

The company was under the control of the holding company disclosed in note 24 of the accounts throughout the current and previous year.

No transactions with related parties were undertaken such as are required to be disclosed under FRS 102 Section 33 as the company has taken advantage of the exemption granted which does not require disclosure of transactions between a subsidiary undertaking and other group undertaking, as the Company's voting rights are wholly owned within the group.

24. Controlling party

The ultimate parent undertaking is E J Bowman Holdings Limited, a company incorporated in England and holding a beneficial interest in 100% (2022 - 100%) of the issued share capital. The accounts of E J Bowman Holdings Limited are available to the public from Companies House.