

B. W. Industries Limited
Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31st January 2023

Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire HU2 8BA

**Contents of the Financial Statements
for the year ended 31st January 2023**

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	6
Statement of Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12

B. W. Industries Limited

**Company Information
for the year ended 31st January 2023**

DIRECTORS:
G Rounding
G Reiss
D R Smith
S P Smith

SECRETARY: D R Smith

REGISTERED OFFICE:
Lancaster Road
Carnaby
Bridlington
East Yorkshire
YO15 3QY

REGISTERED NUMBER: 01189095 (England and Wales)

AUDITORS:
Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire HU2 8BA

**Strategic Report
for the year ended 31st January 2023**

The directors present their strategic report for the year ended 31st January 2023.

REVIEW OF BUSINESS

The company traded throughout the year in the supply of a comprehensive range of galvanised and fabricated steel components and accessories for the domestic, construction, manufacturing and agricultural sectors.

The directors are satisfied with the continued performance and progression of the business, despite the current economic conditions and the challenges that continues to bring. The company continues to maintain a high standard of products and services which is of vital importance to the Board.

Turnover and gross profit are regarded as key performance indicators which have improved over the last 3 years.

		2023	2022	2021
	£	£		
Turnover		46,264,482	39,020,176	25,132,592
Gross Profit		16,273,485	13,754,996	8,511,250

PRINCIPAL RISKS AND UNCERTAINTIES

The company's results are sensitive to changes in raw material prices which tend to fluctuate on a regular basis. Any increases in raw material prices have the ability to impact upon the company's profitability.

In addition, the company monitors its credit risk as a priority matter. This is especially important in the current economic environment and the company has systems in place to reduce that risk to an acceptable level.

SECTION 172(1) STATEMENT

The directors have considered the matters set out in section 172 (1) (a) to (f) when performing their duty to promote the success of the company and the group. The directors continue to ensure that any business decisions consider the long-term impact on all key stakeholders. This includes when evaluating acquisition and growth opportunities. During the period there has been a strong focus on the continued integration of previous acquisitions to ensure that going forward the business can function in a single consistent manner. This integration promotes employee development and allows supplier and customer relationships to be elevated to a group level. Environmental issues continue to be a major focus of the business and are a key consideration as the Board compiles its strategy. The board encourages sharing of best practices between group companies to ensure the business operates at the highest possible standard and endeavours for all members to be treated fairly.

In addition, the directors consider the company's employees, suppliers and customers to be integral to its continued success. The directors have reported on engagement with employees, suppliers, customers and others within the Report of the Directors.

ON BEHALF OF THE BOARD:

D R Smith - Director

26th October 2023

B. W. Industries Limited (Registered number: 01189095)

**Report of the Directors
for the year ended 31st January 2023**

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

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of the supply of pressed and rolled metal sections to industry.

DIVIDENDS

During the year, interim dividends were paid totalling £7,218,030 (2022: £5,278,400).

DIRECTORS

The directors shown below have held office during the whole of the period from 1st February 2022 to the date of this report.

G Rounding
G Reiss
D R Smith
S P Smith

Other changes in directors holding office are as follows:

N Pilling - resigned 31st August 2022

DISABLED EMPLOYEES

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

EMPLOYEE INVOLVEMENT

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

ENGAGEMENT WITH EMPLOYEES

The directors ensure that all employees are kept up to date with key and relevant information which may concern them as employees. Employees are consulted as necessary when making material decisions which may affect them. Employees are encouraged to have an interest in the performance of the company and a general awareness of the group's performance.

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS

The directors continuously consider key stakeholder relationships and develops them through the senior management team. The group considers relationships with customers and suppliers on a global scale and maintains strong relationships at a company and group level. Organic and acquisitive group actions take into consideration these business relationships.

STREAMLINED ENERGY AND CARBON REPORTING

The company is required to report in accordance with The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

UK Greenhouse gas emissions and energy use data for the period 1 February 2022 to 31 January 2023

Report of the Directors
for the year ended 31st January 2023

Current Reporting Year
2022/2023

Consumption Breakdown

	Usage in MWh
Gas (Scope 1)	938.48
Transport (Scope 1)	2,188.20
Electricity (Scope 2)	1,620.46
Total MWh	4747.14

Consumption Breakdown

	CO2e Emissions (tonnes)
Gas (Scope 1)	231.59
Transport (Scope 1)	528.78
Electricity (Scope 2) Location	313.36
Electricity (Scope 2) Market	238.87
Water (Scope 3)	0.59
Total CO2e Location Based	1,074.33
Total CO2e Market Based	999.83

**Intensity ratio (tCO2e per '000
actual hours worked) Location
Based**

3.78

**Intensity ratio (tCO2e per '000
actual hours worked) Market
Based**

3.51

Associated greenhouse gas emissions have been calculated using the GHG reporting protocol and have used the 2022 UK Governments Conversion Factors for Company Reporting.

During the year we have upgraded our recently acquired site with LED lighting to match our main site. The company has increased the size of our electric/hybrid fleet whilst also adding our first electric forklift truck, with another on order.

The company moved to a 100% renewably sourced electricity contract in November 2022 which was signed off in May 2020.

Following the accounting period, the company have appointed an independent specialist to carry out a feasibility study to assess which renewable energy generator would be best suited to our site whilst also assessing our energy usage on machinery, heating etc. to establish how we can further reduce our energy usage and emissions production.

**Report of the Directors
for the year ended 31st January 2023**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Smailes Goldie, will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

ON BEHALF OF THE BOARD:

D R Smith - Director

26th October 2023

Report of the Independent Auditors to the Members of B. W. Industries Limited

Opinion

We have audited the financial statements of B. W. Industries Limited (the 'company') for the year ended 31st January 2023 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st January 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Report of the Independent Auditors to the Members of B. W. Industries Limited

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 Report of the Directors.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 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.

Auditors' responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, tax legislation, data protection, anti-bribery, employment, environmental and health and safety legislation. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Report of the Independent Auditors to the Members of B. W. Industries Limited

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators and the company's legal advisors.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

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 Report of the Auditors.

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 a Report of the Auditors 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.

Michael Stocks ACA (Senior Statutory Auditor)
for and on behalf of Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire HU2 8BA

26th October 2023

B. W. Industries Limited (Registered number: 01189095)

**Statement of Comprehensive Income
for the year ended 31st January 2023**

	Notes	2023 £	2022 £
TURNOVER	3	46,264,482	39,020,176
Cost of sales		<u>29,990,997</u>	<u>25,265,180</u>
GROSS PROFIT		16,273,485	13,754,996
Administrative expenses		<u>6,706,995</u>	<u>6,118,066</u>
		9,566,490	7,636,930
Other operating income		<u>2,503</u>	<u>-</u>
OPERATING PROFIT	6	9,568,993	7,636,930
Interest payable and similar expenses	7	<u>39,181</u>	<u>48,839</u>
PROFIT BEFORE TAXATION		9,529,812	7,588,091
Tax on profit	8	<u>1,806,439</u>	<u>1,472,331</u>
PROFIT FOR THE FINANCIAL YEAR		7,723,373	6,115,760
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>7,723,373</u>	<u>6,115,760</u>

The notes form part of these financial statements

B. W. Industries Limited (Registered number: 01189095)**Balance Sheet
31st January 2023**

	Notes	2023 £	£	2022 £	£
FIXED ASSETS					
Tangible assets	10		3,100,344		3,214,909
CURRENT ASSETS					
Stocks	11	4,329,372		3,961,398	
Debtors	12	24,603,633		19,493,660	
Cash at bank and in hand		1,144,084		1,627,525	
		30,077,089		25,082,583	
CREDITORS					
Amounts falling due within one year	13	11,962,771		6,087,520	
NET CURRENT ASSETS			18,114,318		18,995,063
TOTAL ASSETS LESS CURRENT LIABILITIES			21,214,662		22,209,972
CREDITORS					
Amounts falling due after more than one year	14		-		(1,494,717)
PROVISIONS FOR LIABILITIES	18		(257,259)		(263,195)
NET ASSETS			20,957,403		20,452,060
CAPITAL AND RESERVES					
Called up share capital	19		5,492		5,492
Share premium	20		23,440		23,440
Retained earnings	20		20,928,471		20,423,128
SHAREHOLDERS' FUNDS			20,957,403		20,452,060

The financial statements were approved by the Board of Directors and authorised for issue on 26th October 2023 and were signed on its behalf by:

D R Smith - Director

B. W. Industries Limited (Registered number: 01189095)

**Statement of Changes in Equity
for the year ended 31st January 2023**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1st February 2021	5,492	19,585,768	23,440	19,614,700
Changes in equity				
Dividends	-	(5,278,400)	-	(5,278,400)
Total comprehensive income	-	6,115,760	-	6,115,760
Balance at 31st January 2022	<u>5,492</u>	<u>20,423,128</u>	<u>23,440</u>	<u>20,452,060</u>
Changes in equity				
Dividends	-	(7,218,030)	-	(7,218,030)
Total comprehensive income	-	7,723,373	-	7,723,373
Balance at 31st January 2023	<u>5,492</u>	<u>20,928,471</u>	<u>23,440</u>	<u>20,957,403</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the year ended 31st January 2023**

1. STATUTORY INFORMATION

B. W. Industries Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention.

The significant accounting policies applied in the preparation of these financial statements are set out below.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 3.17(d);
- the requirement of paragraph 33.7.

Preparation of consolidated financial statements

The financial statements contain information about B. W. Industries Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, B. W. Industries (UK) Limited, Lancaster Road, Carnaby, Bridlington, YO15 3QY.

Turnover

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of turnover are as follows:

Turnover from the sale of rolled and formed steel sections is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold property	2% on cost
Plant and machinery	15% on cost
Motor vehicles	15% - 20% on cost

Stocks and work in progress

Stock and work in progress are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

**Notes to the Financial Statements - continued
for the year ended 31st January 2023**

2. ACCOUNTING POLICIES - continued

Tax

Current tax represents the amount payable or receivable in respect of the taxable profit or loss for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment.

Foreign currencies

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payment is treated as a liability.

Rentals payable and receivable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Employee benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The company operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

**Notes to the Financial Statements - continued
for the year ended 31st January 2023**

2. ACCOUNTING POLICIES - continued

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

3. TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the company.

An analysis of turnover by geographical market is given below:

	2023	2022
	£	£
United Kingdom	42,364,375	35,937,605
Europe	3,900,107	3,082,571
	<u>46,264,482</u>	<u>39,020,176</u>

4. EMPLOYEES AND DIRECTORS

	2023	2022
	£	£
Wages and salaries	5,449,347	5,404,956
Social security costs	574,481	119,917
Other pension costs	110,666	110,633
	<u>6,134,494</u>	<u>5,635,506</u>

The average number of employees during the year was as follows:

	2023	2022
Management	5	5
Administration	26	25
Engineering	107	108
	<u>138</u>	<u>138</u>

5. DIRECTORS' EMOLUMENTS

	2023	2022
	£	£
Directors' remuneration	191,651	171,633
Directors' pension contributions to money purchase schemes	1,321	1,320
	<u>192,972</u>	<u>172,953</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
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Notes to the Financial Statements - continued
for the year ended 31st January 2023

6. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation - owned assets	467,692	458,379
Depreciation - assets on hire purchase contracts	-	9,998
Profit on disposal of fixed assets	(22,481)	(4,600)
Auditors' Remuneration - Audit Services	14,000	14,000
Auditors' Remuneration - Taxation services	2,000	2,000
Auditors' Remuneration - Advisory services	5,193	2,185
Auditors' Remuneration - Accounts services	2,000	2,000
Foreign exchange differences	<u>(458)</u>	<u>-</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022
	£	£
Bank interest	8	38
Bank loan interest	37,382	47,078
Hire purchase	1,791	1,723
	<u>39,181</u>	<u>48,839</u>

8. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2023	2022
	£	£
Current tax:		
UK corporation tax	1,812,375	1,331,434
Deferred tax	(5,936)	140,897
Tax on profit	<u>1,806,439</u>	<u>1,472,331</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2023	2022
	£	£
Profit before tax	<u>9,529,812</u>	<u>7,588,091</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	1,810,664	1,441,737
Effects of:		
Expenses not deductible for tax purposes	10,073	(32,573)
Enhanced tax allowances	(12,873)	-
Adjustments in respect of change in rate	(1,425)	63,167
Total tax charge	<u>1,806,439</u>	<u>1,472,331</u>

Notes to the Financial Statements - continued
for the year ended 31st January 2023

9. DIVIDENDS

	2023 £	2022 £
A Ordinary shares of £1 each Interim	<u>7,218,030</u>	<u>5,278,400</u>

10. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1st February 2022	2,296,076	8,090,227	988,535	11,374,838
Additions	-	107,134	272,654	379,788
Disposals	-	(4,000)	(101,035)	(105,035)
At 31st January 2023	<u>2,296,076</u>	<u>8,193,361</u>	<u>1,160,154</u>	<u>11,649,591</u>
DEPRECIATION				
At 1st February 2022	564,499	6,971,801	623,629	8,159,929
Charge for year	32,010	300,891	134,791	467,692
Eliminated on disposal	-	(4,000)	(74,374)	(78,374)
At 31st January 2023	<u>596,509</u>	<u>7,268,692</u>	<u>684,046</u>	<u>8,549,247</u>
NET BOOK VALUE				
At 31st January 2023	<u>1,699,567</u>	<u>924,669</u>	<u>476,108</u>	<u>3,100,344</u>
At 31st January 2022	<u>1,731,577</u>	<u>1,118,426</u>	<u>364,906</u>	<u>3,214,909</u>

Included in freehold property is land of £695,575 (2022 £695,575) which is not depreciated.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1st February 2022	49,990
Disposals	<u>(49,990)</u>
At 31st January 2023	-
DEPRECIATION	
At 1st February 2022	23,329
Eliminated on disposal	<u>(23,329)</u>
At 31st January 2023	-
NET BOOK VALUE	
At 31st January 2023	-
At 31st January 2022	<u>26,661</u>

**Notes to the Financial Statements - continued
for the year ended 31st January 2023**

11. STOCKS

	2023	2022
	£	£
Raw materials	2,696,530	2,691,579
Work-in-progress	1,632,842	1,269,819
	<u>4,329,372</u>	<u>3,961,398</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade debtors	8,832,619	9,271,880
Amounts owed by parent undertakings	15,299,983	9,598,150
Other debtors	471,031	420,672
Corporation tax	-	202,958
	<u>24,603,633</u>	<u>19,493,660</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loans and overdrafts (see note 15)	-	328,132
Hire purchase contracts (see note 16)	-	5,024
Trade creditors	3,529,898	4,220,786
Amounts owed to parent undertakings	6,965,574	100,075
Corporation tax	324,417	-
Social security and other taxes	834,100	1,023,370
Other creditors	308,782	410,133
	<u>11,962,771</u>	<u>6,087,520</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Bank loans (see note 15)	-	1,466,473
Hire purchase contracts (see note 16)	-	28,244
	<u>-</u>	<u>1,494,717</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>-</u>	<u>328,132</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>-</u>	<u>333,846</u>

Notes to the Financial Statements - continued
for the year ended 31st January 2023

15. **LOANS - continued**

	2023 £	2022 £
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>-</u>	<u>520,404</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>-</u>	<u>612,223</u>

16. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase 2023 £	contracts 2022 £
Net obligations repayable:		
Within one year	-	5,024
Between one and five years	<u>-</u>	<u>28,244</u>
	<u>-</u>	<u>33,268</u>
	Non-cancellable 2023 £	operating leases 2022 £
Within one year	5,053	12,303
Between one and five years	<u>-</u>	<u>5,053</u>
	<u>5,053</u>	<u>17,356</u>

17. **SECURED DEBTS**

The following secured debts are included within creditors:

	2023 £	2022 £
Bank loans	-	1,794,605
Hire purchase contracts	<u>-</u>	<u>33,268</u>
	<u>-</u>	<u>1,827,873</u>

The bank loans, overdraft and hire purchase contracts were secured by a fixed and floating charge over certain assets of the company.

Bank loans terms of repayments were over monthly instalments with the balancing amounts payable with the last instalment. The interest is payable as follows:

Variable interest rate of Base rate + 1.95% on a 15 year £1,900,000 loan.
Variable interest rate of Base rate + 2.70% on a 5 year £1,000,000 loan.

Notes to the Financial Statements - continued
for the year ended 31st January 2023

18. PROVISIONS FOR LIABILITIES

	2023 £	2022 £
Deferred tax	<u>257,259</u>	<u>263,195</u>
		Deferred tax
		£
Balance at 1st February 2022		263,195
Utilised during year		<u>(5,936)</u>
Balance at 31st January 2023		<u>257,259</u>

The expected net reversal of deferred tax liabilities in the next financial year is £112,685. This is due to the reversal of accelerated capital allowances.

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023 £	2022 £
4,125	A Ordinary	£1	4,125	4,125
1,367	B Ordinary	£1	<u>1,367</u>	<u>1,367</u>
			<u>5,492</u>	<u>5,492</u>

20. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1st February 2022	20,423,128	23,440	20,446,568
Profit for the year	7,723,373	-	7,723,373
Dividends	<u>(7,218,030)</u>	-	<u>(7,218,030)</u>
At 31st January 2023	<u>20,928,471</u>	<u>23,440</u>	<u>20,951,911</u>

Retained earnings represents cumulative profits and losses net of dividends and other adjustments.

The share premium account represents the premium arising on the issue of shares net of issue costs.

21. PENSION COMMITMENTS

The company operates a defined contribution scheme for all employees. The charge to the profit and loss account for the year in respect of contributions payable to the schemes were £110,666 (2022 £110,633). There were outstanding contributions at 31st January 2023 of £24,935 (2022 £22,818).

22. CONTINGENT LIABILITIES

The company is party to a joint and several guarantee with other group undertakings to guarantee the borrowings of the group. The potential liability of the company at 31st January 2023 was £Nil (2022 £Nil).

**Notes to the Financial Statements - continued
for the year ended 31st January 2023**

23. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

24. ULTIMATE CONTROLLING PARTY

The company is not controlled by any one party.

25. ULTIMATE PARENT COMPANY

The parent company is B W Manufacturing Limited. The registered office is the same as can be found on page 1 of these financial statements.

The ultimate parent company is B.W. Industries (UK) Limited.

The largest and smallest group in which the results of the company are consolidated is that headed by B. W. Industries (UK) Limited. The consolidated financial statements of the group are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

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