



Howard Butler Limited
Annual report and financial statements
For the year ended 31 March 2023

Howard Butler Limited

Company information

Directors	M Collins P M Collins H J C Taylor
Secretary	Mrs A C Collins
Company number	00255259
Registered office	Crown Works Lincoln Road Walsall West Midlands WS1 2EB
Auditor	DJH Mitten Clarke Audit Limited St George's House 56 Peter Street Manchester M2 3NQ

Howard Butler Limited

Contents

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 7
Income statement	8
Statement of comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Notes to the financial statements	12 - 24

Howard Butler Limited

Strategic report

For the year ended 31 March 2023

The directors present the strategic report for the year ended 31 March 2023.

Review of the business

We aim to present a balanced review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and nature of our business and is written in the context of the risks and uncertainties which we face.

The directors monitor the progress of the company and the implementation of its strategy by reference to key performance indicators. The indicators employed include turnover, margins and profitability.

The directors are pleased with the trading results to 31 March 2023. Despite the competitive nature of the business and the extremely difficult trading conditions, turnover increased by 20% to £10.2m, margins were maintained and we achieved a higher net profit before tax.

Principal risks and uncertainties

As for many businesses of our size and nature the business environment in which we operate continues to be challenging and unpredictable. The market is highly competitive and often volatile and margins are continually under pressure whilst we are facing the additional problems and uncertainties brought about by the Covid-19 pandemic, Brexit and the Ukraine conflict. The key business risks affecting the company at present are exchange rate variances, cost inflation, energy prices, and labour and material supply. The company is mitigating the risk by management constantly reviewing them.

However with our strong management team, the continuing research into new production methods, products and markets and our experience of dealing with challenging trading conditions we consider that the company is in a strong position to maintain its leading position in the industry and to take advantage of better market conditions whenever they return.

Development and performance

Since the year end the company, in common with many sectors, has continued to experience difficult trading conditions as referred to above, but continues to develop its product range through research and development and seeking new markets. Despite these conditions management accounts for the period to date indicate continued profitable trading.

However, we remain aware that all plans and projections are subject to unforeseen national and international events outside of our control but we are confident that we have the management team in place with the expertise to adapt to the prevailing conditions.

On behalf of the board

M Collins
Director

22 December 2023

Howard Butler Limited

Directors' report

For the year ended 31 March 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

Principal activities

The principal activity of the company continued to be that of the manufacture of electrical and electronic instruments, current transformers and accessories.

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M Collins
P M Collins
H J C Taylor

Post reporting date events

Please see note 23 for information regarding post balance sheet events.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 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;
- 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 of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Howard Butler Limited

Directors' report (continued)

For the year ended 31 March 2023

On behalf of the board

M Collins

Director

22 December 2023

Howard Butler Limited

Independent auditor's report

To the members of Howard Butler Limited

Opinion

We have audited the financial statements of Howard Butler Limited (the 'company') for the year ended 31 March 2023 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including 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 March 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 *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.

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 contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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.

Howard Butler Limited

Independent auditor's report (continued)

To the members of Howard Butler Limited

Opinions on other matters prescribed by the Companies Act 2006

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

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.

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

Howard Butler Limited

Independent auditor's report (continued)

To the members of Howard Butler Limited

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 as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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 as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; 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; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

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;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any correspondence with HMRC;
- reviewing legal and professional fees incurred during the period to identify potential indications of non-compliance with laws and regulations; and
- reviewing external compliance documents.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware 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.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

Howard Butler Limited

Independent auditor's report (continued)

To the members of Howard Butler Limited

Joanne Beamish ACA FCCA
Senior Statutory Auditor
For and on behalf of DJH Mitten Clarke Audit Limited

22 December 2023

Accountants and Registered Auditors

St George's House
56 Peter Street
Manchester
M2 3NQ

Howard Butler Limited

Income statement

For the year ended 31 March 2023

		2023	2022
	Notes	£	£
Turnover		10,221,058	8,508,353
Cost of sales		(7,540,684)	(6,468,128)
Gross profit		2,680,374	2,040,225
Administrative expenses		(1,534,339)	(1,355,806)
Operating profit	3	1,146,035	684,419
Interest receivable and similar income	7	9,131	4,758
Other gains and losses	8	(1,961)	1,689
Profit before taxation		1,153,205	690,866
Tax on profit	9	(176,348)	(37,650)
Profit for the financial year		976,857	653,216

The income statement has been prepared on the basis that all operations are continuing operations.

Howard Butler Limited

Statement of comprehensive income

For the year ended 31 March 2023

	2023 £	2022 £
Profit for the year	976,857	653,216
Other comprehensive income	-	-
Total comprehensive income for the year	<u>976,857</u>	<u>653,216</u>

Howard Butler Limited

Statement of financial position

As at 31 March 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10		246,965		222,413
Investments	11		1,121,312		559,056
			<u>1,368,277</u>		<u>781,469</u>
Current assets					
Stocks	14	1,281,256		1,001,544	
Debtors	15	3,289,502		2,807,084	
Investments	16	39,858		41,819	
Cash at bank and in hand		862,786		1,249,535	
		<u>5,473,402</u>		<u>5,099,982</u>	
Creditors: amounts falling due within one year	17	(2,031,359)		(2,087,338)	
Net current assets			<u>3,442,043</u>		<u>3,012,644</u>
Total assets less current liabilities			<u>4,810,320</u>		<u>3,794,113</u>
Creditors: amounts falling due after more than one year	18		(32,000)		-
Provisions for liabilities					
Deferred tax liability	19	55,350		48,000	
		<u>(55,350)</u>		<u>(48,000)</u>	
Net assets			<u>4,722,970</u>		<u>3,746,113</u>
Capital and reserves					
Called up share capital	21		76,460		76,460
Capital redemption reserve			23,250		23,250
Profit and loss reserves			4,623,260		3,646,403
Total equity			<u>4,722,970</u>		<u>3,746,113</u>

The financial statements were approved by the board of directors and authorised for issue on 22 December 2023 and are signed on its behalf by:

M Collins
Director

Company Registration No. 00255259

Howard Butler Limited

Statement of changes in equity For the year ended 31 March 2023

	Share capital	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 April 2021	76,460	23,250	2,993,187	3,092,897
Year ended 31 March 2022:				
Profit and total comprehensive income for the year	-	-	653,216	653,216
Balance at 31 March 2022	76,460	23,250	3,646,403	3,746,113
Year ended 31 March 2023:				
Profit and total comprehensive income for the year	-	-	976,857	976,857
Balance at 31 March 2023	76,460	23,250	4,623,260	4,722,970

Howard Butler Limited

Notes to the financial statements

For the year ended 31 March 2023

1 Accounting policies

Company information

Howard Butler Limited is a private company limited by shares incorporated in England and Wales. The registered office is Crown Works, Lincoln Road, Walsall, West Midlands, WS1 2EB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Howard Butler Limited is a wholly owned subsidiary of Hobut Limited and the results of Howard Butler Limited are included in the consolidated financial statements of Hobut Limited which are available from the registered office.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Howard Butler Limited

Notes to the financial statements (continued)

For the year ended 31 March 2023

1 Accounting policies

(Continued)

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on despatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	20% straight line
Fixtures and fittings	25% straight line
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

Howard Butler Limited

Notes to the financial statements (continued)

For the year ended 31 March 2023

1 Accounting policies

(Continued)

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stock and Work in progress

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Howard Butler Limited

Notes to the financial statements (continued)

For the year ended 31 March 2023

1 Accounting policies

(Continued)

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Howard Butler Limited

Notes to the financial statements (continued)

For the year ended 31 March 2023

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Howard Butler Limited

Notes to the financial statements (continued)

For the year ended 31 March 2023

1 Accounting policies

(Continued)

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.16 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Work in progress

Management review work in progress at the year end in order to obtain an estimated valuation of the work complete. Management recognise profits based on an estimate of percentage complete at the year end date.

Howard Butler Limited

Notes to the financial statements (continued)

For the year ended 31 March 2023

3 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	22,404	(37,927)
Depreciation of owned tangible fixed assets	99,077	79,342
Loss on disposal of tangible fixed assets	1,029	-
Operating lease charges	75,000	50,000
	<u> </u>	<u> </u>

4 Auditor's remuneration

	2023	2022
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	3,000	2,000
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023	2022
	Number	Number
Employees	127	127
Directors	3	3
	<u> </u>	<u> </u>
Total	130	130
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	2,866,174	2,560,857
Social security costs	99,682	194,692
Pension costs	212,483	197,781
	<u> </u>	<u> </u>
	3,178,339	2,953,330
	<u> </u>	<u> </u>

Howard Butler Limited

Notes to the financial statements (continued)

For the year ended 31 March 2023

6 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	198,576	199,692
Company pension contributions to defined contribution schemes	30,000	30,000
	<u>228,576</u>	<u>229,692</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2022 - 2).

7 Interest receivable and similar income

	2023 £	2022 £
Interest income		
Interest on bank deposits	9,131	4,758
	<u>9,131</u>	<u>4,758</u>

8 Other gains and losses

	2023 £	2022 £
Fair value gains/(losses) on financial instruments		
(Loss)/gain on financial assets held at fair value through profit or loss	(1,961)	1,689
	<u>(1,961)</u>	<u>1,689</u>

9 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	168,998	8,650
	<u>168,998</u>	<u>8,650</u>
Deferred tax		
Origination and reversal of timing differences	7,350	29,000
	<u>7,350</u>	<u>29,000</u>
Total tax charge	<u>176,348</u>	<u>37,650</u>

Howard Butler Limited

Notes to the financial statements (continued)

For the year ended 31 March 2023

9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Profit before taxation	1,153,205	690,866
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	219,109	131,265
Tax effect of expenses that are not deductible in determining taxable profit	371	13
Deferred tax adjustments in respect of prior years	(200)	-
Research and development	(40,000)	(99,004)
Change in tax rate	1,764	9,323
Loss brought forward / carried forward movement	-	(3,626)
Income not taxable	-	(321)
Enhanced Capital Allowances	(3,271)	-
Under/(over) provided in current year	(1,425)	-
Taxation charge for the year	176,348	37,650

10 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 April 2022	1,699,281	263,551	57,071	2,019,903
Additions	51,745	5,639	67,574	124,958
Disposals	-	-	(3,150)	(3,150)
At 31 March 2023	1,751,026	269,190	121,495	2,141,711
Depreciation and impairment				
At 1 April 2022	1,503,097	257,446	36,947	1,797,490
Depreciation charged in the year	74,044	2,177	22,856	99,077
Eliminated in respect of disposals	-	-	(1,821)	(1,821)
At 31 March 2023	1,577,141	259,623	57,982	1,894,746
Carrying amount				
At 31 March 2023	173,885	9,567	63,513	246,965
At 31 March 2022	196,184	6,105	20,124	222,413

Howard Butler Limited

Notes to the financial statements (continued)

For the year ended 31 March 2023

11 Fixed asset investments

	Notes	2023 £	2022 £
Investments in subsidiaries	12	1,095,811	533,555
Investments in associates	13	25,501	25,501
		<u>1,121,312</u>	<u>559,056</u>

Movements in fixed asset investments

	Shares in subsidiaries and associates £
Cost or valuation	
At 1 April 2022	559,056
Additions	562,256
	<u>1,121,312</u>
At 31 March 2023	<u>1,121,312</u>
Carrying amount	
At 31 March 2023	<u>1,121,312</u>
At 31 March 2022	<u>559,056</u>

12 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
John Wilkes Electrical Limited	England	Dormant	Ordinary	100.00
Unicores Limited	England	Manufacturing	Ordinary	100.00
Multitek Power Limited	England	Manufacturing	Ordinary	100.00
Q.A..Electrical Products Limited	England	Manufacturing	Ordinary	100.00

The investments in subsidiaries are all stated at cost less impairment.

The registered office address of all subsidiaries is Crown Works, Lincoln Road, Walsall, West Midlands, WS1 2EB.

13 Associates

Details of the company's associates at 31 March 2023 are as follows:

Howard Butler Limited

Notes to the financial statements (continued)

For the year ended 31 March 2023

13 Associates (Continued)

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Howard Butler Manufacturing Pte	Singapore	Manufacturing	Ordinary	45.00

During the year, no dividends or other distributions were received from Howard Butler Manufacturing Pte

14 Stocks

	2023 £	2022 £
Raw materials and consumables	940,867	758,274
Work in progress	303,267	243,270
Finished goods and goods for resale	37,122	-
	<u>1,281,256</u>	<u>1,001,544</u>

15 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	2,620,280	2,519,487
Amounts owed by group undertakings	586,739	231,335
Other debtors	-	2,942
Prepayments and accrued income	82,483	53,320
	<u>3,289,502</u>	<u>2,807,084</u>

16 Current asset investments

	2023 £	2022 £
Listed investments	<u>39,858</u>	<u>41,819</u>

Howard Butler Limited

Notes to the financial statements (continued)

For the year ended 31 March 2023

17 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	681,839	775,143
Amounts owed to group undertakings	784,653	1,091,931
Taxation and social security	215,096	57,126
Other creditors	72,094	2,829
Accruals and deferred income	277,677	160,309
	<u>2,031,359</u>	<u>2,087,338</u>

18 Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Other creditors	32,000	-
	<u>32,000</u>	<u>-</u>

19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities	Liabilities
	2023	2022
	£	£
Balances:		
Accelerated capital allowances	<u>55,350</u>	<u>48,000</u>
Movements in the year:		2023
		£
Liability at 1 April 2022		48,000
Charge to profit or loss		7,350
		<u>55,350</u>
Liability at 31 March 2023		<u>55,350</u>

Howard Butler Limited

Notes to the financial statements (continued)

For the year ended 31 March 2023

20 Retirement benefit schemes

	2023	2022
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	212,483	197,781

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

21 Share capital

	2023	2022	2023	2022
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	76,460	76,460	76,460	76,460

22 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	6,840	3,528
Between two and five years	25,650	32,490
	32,490	36,018

23 Ultimate controlling party

The immediate parent company is Hobut Limited (A company incorporated in England) and the ultimate parent company is Hobut IOM Limited (A company incorporated in the Isle of Man).

The financial statements of Howard Butler Limited are consolidated in the accounts of Hobut Limited.

The company is ultimately controlled by M Collins.

24 Post balance sheet event

As of 1 April 23, Unicores Ltd, a member of the same group, has become a division of Howard Butler.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.