

Company Registration No. 01274531 (England and Wales)

ASSOCIATION OF WHOLESALE ELECTRICAL BULK BUYERS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2021

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ASSOCIATION OF WHOLESALE ELECTRICAL BULK BUYERS LIMITED

BALANCE SHEET

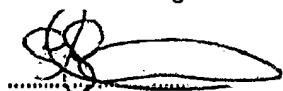
AS AT 31 MAY 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	5	211,978		214,341	
Investments	6	2,707		2,707	
		<u>214,685</u>		<u>217,048</u>	
Current assets					
Debtors	8	4,579,281	2,995,467		
Cash at bank and in hand		2,538,280	1,522,524		
		<u>7,117,561</u>	<u>4,517,991</u>		
Creditors: amounts falling due within one year	9	<u>(6,140,182)</u>	<u>(3,654,160)</u>		
Net current assets		<u>977,379</u>		<u>863,831</u>	
Net assets		<u>1,192,064</u>		<u>1,080,879</u>	
Reserves					
Revaluation reserve	11	40,847	41,291		
Income and expenditure account		1,151,217	1,039,588		
Members' funds		<u>1,192,064</u>	<u>1,080,879</u>		

The directors of the company have elected not to include a copy of the income and expenditure account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 11 September 2021 and are signed on its behalf by:



Mr S Grimshaw
Director

Company Registration No. 01274531

ASSOCIATION OF WHOLESALE ELECTRICAL BULK BUYERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2021

1 Accounting policies

Company information

Association of Wholesale Electrical Bulk Buyers Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 29b High Street, Cowbridge, Vale of Glamorgan, CF71 7AE.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 1A "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

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.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable, excluding discounts, rebates and value added tax.

The company recognises turnover where the amount of revenue and related cost can be measured reliably.

The following accounting policies relate to the key income streams:-

Membership and marketing subscriptions are recognised in the accounting period to which the services are covered by those subscriptions.

Joining fees are accounted for in the year in which the member has joined the association.

AGM donations are paid by members and suppliers and are recognised in the period in which the AGM takes place.

1.4 Income and expenditure

Income and expenses are included in the financial statements as they become receivable or due.

1.5 Tangible fixed assets

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

ASSOCIATION OF WHOLESALE ELECTRICAL BULK BUYERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

1 Accounting policies

(Continued)

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:

Land and buildings Freehold	Straight line over 100 years
Plant and machinery	20% on reducing balance
Fixtures, fittings & equipment	25% on 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 surplus or deficit.

1.6 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 surplus or deficit.

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.

1.7 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 surplus or deficit, 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 surplus or deficit, 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.

ASSOCIATION OF WHOLESALE ELECTRICAL BULK BUYERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

1 Accounting policies

(Continued)

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, 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.

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 balance sheet 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.

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.

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.

1.10 Taxation

The company is exempt from corporation tax, it being a company not carrying on a business for the purposes of making a profit.

ASSOCIATION OF WHOLESALE ELECTRICAL BULK BUYERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

1 Accounting policies

(Continued)

1.11 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.

1.12 Retirement benefits

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

1.13 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.

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

ASSOCIATION OF WHOLESALE ELECTRICAL BULK BUYERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

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.

Valuation of property

The company carries its land and building at fair value, with changes in fair value being recognised in comprehensive income. The professional valuer used a valuation technique which took account of the market rent of the property. The freehold land and buildings valuation is most sensitive to the estimated yield.

Directors have valued freehold land and building on an open market basis as at the year end. The directors have valued the properties using the same basis used by Musson Liggins Chartered Surveyors during their valuation on 5 August 2013.

Management fees

AWEBS Limited raise a management charge to Electracentre Distribution Limited relating to a FutureFit training programme which benefits ECD to gain new members. The management charge consists of actual costs incurred for the training programme and a proportion of staff salary, who works to ensure the correct training is provided to members.

The estimate also includes the continued monthly loan of funds from members rebates to claim early settlement discount from ECD suppliers, and for this year only a refund back to the members of fees, it replaced the investment usually made in AWEBS's training program for the members staff.

3 Auditor's remuneration

	2021	2020
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	3,000	3,000
	<u> </u>	<u> </u>

4 Employees

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

	2021 Number	2020 Number
Total	5	5
	<u> </u>	<u> </u>

ASSOCIATION OF WHOLESALE ELECTRICAL BULK BUYERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

5 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost or valuation			
At 1 June 2020	225,000	91,645	316,645
Additions	-	1,155	1,155
At 31 May 2021	225,000	92,800	317,800
Depreciation and impairment			
At 1 June 2020	15,750	86,554	102,304
Depreciation charged in the year	2,250	1,268	3,518
At 31 May 2021	18,000	87,822	105,822
Carrying amount			
At 31 May 2021	207,000	4,978	211,978
At 31 May 2020	209,250	5,091	214,341

Directors have valued freehold land and building on an open market basis as at the year end. The directors have valued the properties using the same basis used by Musson Liggins Chartered Surveyors during valuation on 5 August 2013.

If revalued assets were stated on a historical cost basis rather than a fair view basis, the total amounts included would have been as follows:

	2021 £	2020 £
Cost	180,601	180,601
Accumulated depreciation	(28,896)	27,090
Carrying value	151,705	207,691

ASSOCIATION OF WHOLESALE ELECTRICAL BULK BUYERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

6 Fixed asset investments

	2021 £	2020 £
Shares in group undertakings and participating interests	1	1
Other investments other than loans	2,706	2,706
	<u>2,707</u>	<u>2,707</u>

The investment of £2,706 relates to a 9% interest in IDEE (International Distributors of Electrical Equipment)

7 Subsidiaries

Details of the company's subsidiaries at 31 May 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Electracentre Distribution Limited	England and Wales	Ordinary 'A'	100.00

8 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Service charges due	4,379,211	2,831,538
Other debtors	200,070	163,929
	<u>4,579,281</u>	<u>2,995,467</u>

9 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	-	11,791
Taxation and social security	879,989	420,546
Other creditors	5,260,193	3,221,823
	<u>6,140,182</u>	<u>3,654,160</u>

10 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

ASSOCIATION OF WHOLESALE ELECTRICAL BULK BUYERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

11 Revaluation reserve

	2021 £	2020 £
At the beginning of the year	41,291	41,735
Transfer to retained earnings	(444)	(444)
At the end of the year	<u>40,847</u>	<u>41,291</u>

12 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Mr Steven McLoughlin FCCA.
The auditor was Jerroms.

13 Operating lease commitments

Lessee

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

2021 £	2020 £
<u>34,000</u>	<u>42,500</u>

14 Events after the reporting date

Covid-19

The directors have considered the effect of the Covid-19 outbreak that has been spreading throughout the world since early 2020 on the association's activities. The directors of the association have been proactive in their decisions, for example using the furlough scheme to reduce wages costs (claimed last year - 31 May 2020).

The Impact of the pandemic continues to be challenging, two staff took the opportunity to retire, and new staff have needed to be recruited. Furlough was only required for a short period of time, and only one wholesale member has been lost during the pandemic thus far. In considering the association's going concern status, the directors have determined that there has been no material effect of the pandemic on the association.

ASSOCIATION OF WHOLESALE ELECTRICAL BULK BUYERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

(Continued)

15 Related party transactions

The company has an unlimited cross guarantee on all bank borrowings with Electracentre Distribution Limited.

During the year a management fee was charged by AWEBB Limited to Electracentre Distribution Limited totalling £100,000. (2020: £100,000)

16 Non-audit services provided by auditor

In common with many businesses of our size and nature we use our auditor to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

17 Auditor's liability limitation agreement

The company has, by special resolution, waived the need for approval of the auditors' limitation liability, which has been set at £2,000,000 within the letter of engagement dated 12th August 2020. This approval has been confirmed in the letter of representation, dated 31 August 2021.