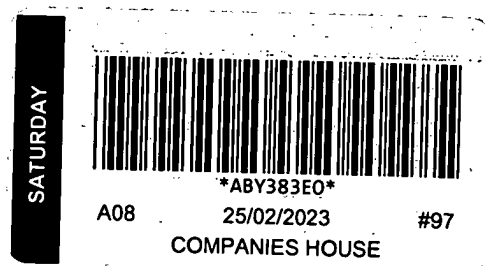


LINCS. ELECTRICAL WHOLESALERS LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

Mark Holt & Co Limited
Chartered Accountants
Statutory Auditors
7 Sandy Court
Ashleigh Way
Langage Business Park
Plymouth
Devon
PL7 5JX



LINCS. ELECTRICAL WHOLESALERS LIMITED (REGISTERED NUMBER: 02262735)

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FOR THE YEAR ENDED 31 AUGUST 2022**

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LINCS. ELECTRICAL WHOLESALERS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2022**

DIRECTORS:

A S Johnson
J P Ring
L T Martin

SECRETARY:

A S Johnson

REGISTERED OFFICE:

Unit 16
Primrose Street
Gainsborough
Lincolnshire
DN21 1HU

REGISTERED NUMBER:

02262735 (England and Wales)

AUDITORS:

Mark Holt & Co Limited
Chartered Accountants
Statutory Auditors
7 Sandy Court
Ashleigh Way
Langage Business Park
Plymouth
Devon
PL7 5JX

LINCS. ELECTRICAL WHOLESALERS LIMITED (REGISTERED NUMBER: 02262735)**STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

The directors present their strategic report for the year ended 31 August 2022.

REVIEW OF BUSINESS

The directors are satisfied with the results for the year given the continued challenges that both Covid-19 and Brexit have placed on the business. Revenue grew year on year by 5.9% as trading remained broadly in line with expectations. Gross margin increased slightly and remained acceptable given the continued pricing pressures faced.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors consider the following to be the principal risks and uncertainties that could affect the company:

- Significant external events that reduce demand for product, including the continued impact of Covid-19 and continued repercussions from Brexit
- Disruption in the product supply chain and product price increases
- Aggressive product pricing by competitors
- Recruitment.

The reputation of the company has grown over many years of trading and the company consider themselves to be in a strong financial and market position to deal with the risks outlined above.

SECTION 172(1) STATEMENT

The directors are aware of their duties under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders. The directors consider it crucial that the company maintains a reputation for high standards of business conduct. The directors are responsible for setting, monitoring and upholding cultures, values, standards, ethics, brand and reputation of the company. Management drives the embedding of the desired culture throughout the organisation.

FINANCIAL KEY PERFORMANCE INDICATORS

The directors consider the following to be the financial key performance indicators for the company:

	2022	2021
Year on year sales growth	5.9%	50.5%
Gross profit margin	29.4%	28.9%

CREDITOR PAYMENT POLICY AND PRACTICE

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with. At the year end, creditor days total 61.0 (2021: 58.0).

DEVELOPMENT AND PERFORMANCE

Whilst trading conditions remain challenging given the prolonged difficult economic environment the company remains committed to opening additional trading branches in the future. The directors remain optimistic regarding future trading performance.

To support the company's growth plans the LEW Academy was developed as an internal scheme and launched in the prior year. This encompasses recruitment of apprentices each year and a focus on developing the great talent already within the company.

ENVIRONMENT AND SUSTAINABILITY

The company continues to improve their sustainable approach to business, maintaining their drive to positively impact the environment. Reducing plastic consumption is something the management team are actively working to achieve.

EMPLOYEE INVOLVEMENT AND EQUAL OPPORTUNITY

All team members undergo a continuous training programme, relevant to their role, to ensure the safety of all customers, suppliers and employees. The company is committed to non-discriminatory recruitment procedures and practices and all job offers are based on merit taking into account aptitude and capability to carry out the roles as defined in the job specification.

DISABLED EMPLOYEES

The company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

LINCS. ELECTRICAL WHOLESALERS LIMITED (REGISTERED NUMBER: 02262735)

STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

ENERGY AND CARBON REPORT

The annual quantity of emissions arising from different sources are as follows:

- Natural Gas - 6,495 kWh (1.2 tCO2e)
- Transport - 1,991,163 kWh (477.7 tCO2e)
- Electricity - 457,960 kWh (88.6 tCO2e)
- Grey fleet - 23,743 kWh (5.5 tCO2e)

Total emissions in the year amount to 2,479,362 (573 tCO2e). This can be analysed as 3.37 tonnes of CO2e per employee or 12.08 tonnes of CO2e per million pound of turnover. It is not practical for the relevant reports to be obtained for the prior year, albeit we believe that the levels of CO2e would have been slightly less overall, but with the ratios being at a similar level.

The company is committed to reducing the amounts produced by employee and turnover and are actively taking steps to do this including installing solar panels and introducing hybrid/fully electric vehicles and managing energy consumption through control measures.

ON BEHALF OF THE BOARD:

Andrew Johnson
.....
A S Johnson - Director

21/2/2023
Date:

LINCS. ELECTRICAL WHOLESALERS LIMITED (REGISTERED NUMBER: 02262735)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2022**

The directors present their report with the financial statements of the company for the year ended 31 August 2022.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of electrical equipment wholesalers.

DIVIDENDS

The total distribution of dividends for the year ended 31 August 2022 will be £135,000. (2021: £316,250).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 September 2021 to the date of this report.

A S Johnson
J P Ring
L T Martin

Directors appointed since the year end are as follows:

J C Johnson (appointed 01/12/2022)
S A Berry (appointed 01/12/2022)

FUTURE DEVELOPMENTS

While trading conditions remain tough given the prolonged difficult economic environment, the company remains committed to opening additional trading branches in the future. The directors remain cautiously optimistic regarding future trading performance.

DISCLOSURE IN THE STRATEGIC REPORT

Information regarding business performance, risk and KPIs is reported in the Strategic Report.

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.

LINCS. ELECTRICAL WHOLESALERS LIMITED (REGISTERED NUMBER: 02262735)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2022**

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.

ON BEHALF OF THE BOARD:

Andrew Johnson

.....
A S Johnson - Director

21/2/2023

Date:

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LINCS. ELECTRICAL WHOLESALERS LIMITED**

Opinion

We have audited the financial statements of Lincs. Electrical Wholesalers Limited (the 'company') for the year ended 31 August 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2022 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.

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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LINCS. ELECTRICAL WHOLESALERS LIMITED**

Responsibilities of directors

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LINCS. ELECTRICAL WHOLESALERS LIMITED**

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:

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

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 Audit 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 the 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 aggregate, they could reasonably be expected to influence the economic decisions of users, taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, to detect material misstatement in respect of irregularities, including fraud,

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

Objectives

The objectives of our audit in respect of fraud, are;

- to identify and assess the risks of material misstatement of the financial statements due to fraud;
 - to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and
 - to respond appropriately to instances of fraud or suspected fraud identified during the audit.
- However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Audit Approach

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the Company and considered that the most significant are the Consumer Rights Act, the Consumer Protection (Distance Selling) Regulations, the Companies Act 2006, FRS 102, and UK taxation legislation.
- We obtained an understanding of how the Company complies with these requirements by discussions with management and those charged with governance, as well a review of relevant correspondence and certifications.
- We assessed the risk of material misstatement of the financial statements and how it might occur (including the risk of material misstatement due to fraud), by holding discussions with management and those charged with governance. We used our knowledge of the Company and the industry in which it operates to determine if management's explanations were consistent with our own conclusions.
- Based on our understanding developed from the above, we designed specific appropriate audit procedures to identify instances of non-compliance with the key laws and regulations which may result in potential fraud. This included making enquiries of management and those charged with governance, investigating unusual or unexpected relationships or movements in figures disclosed in the accounts and remaining alert for any transactions that appeared to be outside the normal course of business. Furthermore, as required by auditing standards, and taking into account our overall knowledge of the control environment, we have performed procedures to address the risks of management override of controls and the risk of fraudulent revenue recognition. Procedures such as a review of journal entries and assessing estimates for management bias have enabled us to conclude in this area.
- No instances of fraud, non-compliance or suspected non-compliance with laws and regulations were identified from the above procedures.

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LINCS. ELECTRICAL WHOLESALERS LIMITED**

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

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

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect noncompliance with all laws and regulations.

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.

Mark Holt & Co

Stephanie Williams (Senior Statutory Auditor)
for and on behalf of Mark Holt & Co Limited
Chartered Accountants
Statutory Auditors
7 Sandy Court
Ashleigh Way
Langage Business Park
Plymouth
Devon
PL7 5JX

24/2/2023

Date:

LINCS. ELECTRICAL WHOLESALERS LIMITED (REGISTERED NUMBER: 02262735)

INCOME STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	2021 £
TURNOVER	4	47,437,222	44,802,639
Cost of sales		<u>(33,487,433)</u>	<u>(31,847,401)</u>
GROSS PROFIT		13,949,789	12,955,238
Distribution costs		<u>(192,710)</u>	<u>(196,047)</u>
Administrative expenses		<u>(11,135,932)</u>	<u>(9,720,159)</u>
		2,621,147	3,039,032
Other operating income	5	<u>33,250</u>	<u>41,353</u>
OPERATING PROFIT	7	2,654,397	3,080,385
Interest receivable and similar income		<u>20,526</u>	<u>21,499</u>
		2,674,923	3,101,884
Interest payable and similar expenses	8	<u>-</u>	<u>(15,108)</u>
PROFIT BEFORE TAXATION		2,674,923	3,086,776
Tax on profit	9	<u>(601,584)</u>	<u>(678,154)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>2,073,339</u>	<u>2,408,622</u>

The notes form part of these financial statements

LINCS. ELECTRICAL WHOLESALERS LIMITED (REGISTERED NUMBER: 02262735)

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	2021 £
PROFIT FOR THE YEAR		2,073,339	2,408,622
OTHER COMPREHENSIVE INCOME			
Share buyback		-	(551,500)
Share capital cancelled		-	3,100
Income tax relating to components of other comprehensive income		-	-
		<hr/>	<hr/>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		-	(548,400)
		<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,073,339	1,860,222
		<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

LINCS. ELECTRICAL WHOLESALERS LIMITED (REGISTERED NUMBER: 02262735)

BALANCE SHEET
31 AUGUST 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Intangible assets	11	468,294	-
Tangible assets	12	1,755,081	1,516,972
		<u>2,223,375</u>	<u>1,516,972</u>
CURRENT ASSETS			
Stocks	13	4,777,647	4,571,351
Debtors	14	13,365,133	12,677,668
Cash at bank and in hand		426,948	158,181
		<u>18,569,728</u>	<u>17,407,200</u>
CREDITORS			
Amounts falling due within one year	15	9,656,447	9,870,467
		<u>9,656,447</u>	<u>9,870,467</u>
NET CURRENT ASSETS		<u>8,913,281</u>	<u>7,536,733</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,136,656</u>	<u>9,053,705</u>
PROVISIONS FOR LIABILITIES	18	428,644	284,032
NET ASSETS		<u>10,708,012</u>	<u>8,769,673</u>
CAPITAL AND RESERVES			
Called up share capital	19	900	900
Capital redemption reserve	20	3,100	3,100
Retained earnings	20	10,704,012	8,765,673
SHAREHOLDERS' FUNDS		<u>10,708,012</u>	<u>8,769,673</u>

21/2/2023

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



.....
AS Johnson - Director

LINCS. ELECTRICAL WHOLESALERS LIMITED (REGISTERED NUMBER: 02262735)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2022

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 September 2020	4,000	7,224,801	-	7,228,801
Changes in equity				
Profit for the year	-	2,408,622	-	2,408,622
Other comprehensive income	-	(551,500)	3,100	(548,400)
Total comprehensive income	-	1,857,122	3,100	1,860,222
Reduction in share capital	(3,100)	-	-	(3,100)
Dividends	-	(316,250)	-	(316,250)
Balance at 31 August 2021	900	8,765,673	3,100	8,769,673
Changes in equity				
Profit for the year	-	2,073,339	-	2,073,339
Total comprehensive income	-	2,073,339	-	2,073,339
Dividends	-	(135,000)	-	(135,000)
Balance at 31 August 2022	900	10,704,012	3,100	10,708,012

The notes form part of these financial statements

LINCS. ELECTRICAL WHOLESALERS LIMITED (REGISTERED NUMBER: 02262735)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	2,433,690	151,617
Interest paid		-	(15,108)
Tax paid		(829,793)	(267,042)
Net cash from operating activities		1,603,897	(130,533)
Cash flows from investing activities			
Purchase of intangible fixed assets		(481,156)	-
Purchase of tangible fixed assets		(591,206)	(580,894)
Sale of tangible fixed assets		26,350	7,500
Interest received		20,526	21,499
Net cash from investing activities		(1,025,486)	(551,895)
Cash flows from financing activities			
Share buyback		-	(551,500)
Equity dividends paid		(135,000)	(316,250)
Net cash from financing activities		(135,000)	(867,750)
Increase/(decrease) in cash and cash equivalents		443,411	(1,550,178)
Cash and cash equivalents at beginning of year	2	(16,463)	1,533,715
Cash and cash equivalents at end of year	2	426,948	(16,463)

The notes form part of these financial statements

LINCS. ELECTRICAL WHOLESALERS LIMITED (REGISTERED NUMBER: 02262735)

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022	2021
	£	£
Profit before taxation	2,674,923	3,086,776
Depreciation charges	360,629	274,619
Profit on disposal of fixed assets	(21,020)	(7,500)
Finance costs	-	15,108
Finance income	(20,526)	(21,499)
	<u>2,994,006</u>	<u>3,347,504</u>
Increase in stocks	(206,296)	(1,219,508)
Increase in trade and other debtors	(687,465)	(2,791,814)
Increase in trade and other creditors	333,445	815,435
	<u>2,433,690</u>	<u>151,617</u>
Cash generated from operations	2,433,690	151,617

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 August 2022

	31.8.22	1.9.21
	£	£
Cash and cash equivalents	426,948	158,181
Bank overdrafts	-	(174,644)
	<u>426,948</u>	<u>(16,463)</u>

Year ended 31 August 2021

	31.8.21	1.9.20
	£	£
Cash and cash equivalents	158,181	1,533,715
Bank overdrafts	(174,644)	-
	<u>(16,463)</u>	<u>1,533,715</u>

3. ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS

	At 1.9.21	Cash flow	At 31.8.22
	£	£	£
Net cash			
Cash at bank and in hand	158,181	268,767	426,948
Bank overdrafts	(174,644)	174,644	-
	<u>(16,463)</u>	<u>443,411</u>	<u>426,948</u>
Total	<u>(16,463)</u>	<u>443,411</u>	<u>426,948</u>

The notes form part of these financial statements

LINCS. ELECTRICAL WHOLESALERS LIMITED (REGISTERED NUMBER: 02262735)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. STATUTORY INFORMATION

Lincs. Electrical Wholesalers 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.

The presentation currency of the financial statements is the Pound Sterling (£).

2. STATEMENT OF COMPLIANCE

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

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

Critical accounting judgements and key sources of estimation uncertainty

The critical accounting estimates that affect these accounts which required judgement from management are depreciation and amortisation of fixed assets and accrued rebate income and its impact on stock value. Further detail on these estimates has been given below:

Accrued rebate income and impact on stock

In line with general industry practice, at times the company receives rebates from some suppliers in relation to purchases made. At any one time there is stock held on which rebates have or are due to be received, which would reduce the actual unit cost of this stock below the initial amount invoiced. To reflect the impact of these rebates on the stock value, and properly record stock at the lower of cost and net realisable value, an adjustment has been made to lower the value of stock reported. The directors have estimated the impact of the purchase rebates on stock by looking at ratios of rebates, purchases and stock.

Depreciation and amortisation

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax. Turnover is recognised on the raising of the invoice, which takes place when the goods are either delivered or collected.

Purchases and sales rebates

Purchase rebates from suppliers are credited to the profit and loss account (against purchases) and sales rebates to customers are charged to the profit and loss account (against sales) on an accruals basis.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of ten years.

LINCS. ELECTRICAL WHOLESALEERS LIMITED (REGISTERED NUMBER: 02262735)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022****3. ACCOUNTING POLICIES - continued****Impairment of assets**

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Freehold Land	- not provided
Freehold Buildings	- 2% on cost
Plant and Machinery	- 25% on cost
Fixtures and Fittings	- 25% on cost, 10% on cost and 25% on reducing balance
Motor Vehicles	- 25% on cost

The freehold land and buildings are held at cost.

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the assets in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transactions costs, and are measured subsequently at amortised cost using the effective interest method.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items as well as subsequent reductions to cost in relation to rebates.

Stock is accounted for using the FIFO method.

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only 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. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

The tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

LINCS. ELECTRICAL WHOLESALEERS LIMITED (REGISTERED NUMBER: 02262735)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

3. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is a finance lease or an operating lease based on the substances of the arrangement.

Finance leases

Leases of assets that transfer substantially all the risks and rewards of ownership to the Company are classified as finance leases.

Assets held under finance leases are recognized initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss.

Assets held under finance leases are included in tangible fixed assets and depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Pension costs and other post-retirement benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Provisions for liabilities

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

The Company recognises a provision for annual leave accrued by employees for services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months, measured at the salary costs payable for the period of absence.

Grant income

Income received in relation to grants are classified either as relating to revenue or to assets.

Grants relating to revenue are recognised in other income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate. Where a timing difference arises, the income is held on the balance sheet. When received in arrears the expected income is recognised as a debtor so long as the relevant conditions have been satisfied. When received in advance of costs, the income is held as deferred income and systematically released to the profit and loss in the periods the cost is incurred.

Grants relating to assets are recognised initially as deferred income and released to other income on a systematic basis over the expected useful life of the asset.

Grants relating to the Coronavirus Job Retention Scheme are recognised in full in the period in which the associated salary, national insurance and pension costs were incurred.

LINCS. ELECTRICAL WHOLESALERS LIMITED (REGISTERED NUMBER: 02262735)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

4. TURNOVER

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

An analysis of turnover by class of business is given below:

	2022 £	2021 £
Sale of goods	47,437,222	44,802,639
	<u>47,437,222</u>	<u>44,802,639</u>

5. OTHER OPERATING INCOME

	2022 £	2021 £
Sundry receipts	33,250	41,353
	<u>33,250</u>	<u>41,353</u>

During the year, the company received Coronavirus Job Retention Support grants amounting to £Nil (2021: £33,353) and grants from the Retail, Hospitality and Leisure Grant Fund amounting to £nil (2021: £8,000) Other Grants in the year totalled £33,250 and these amounts were included in sundry receipts.

6. EMPLOYEES AND DIRECTORS

	2022 £	2021 £
Wages and salaries	6,402,842	5,734,795
Social security costs	724,943	681,483
Other pension costs	124,893	108,315
	<u>7,252,678</u>	<u>6,524,593</u>

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

	2022	2021
Selling and administration	170	155
	<u>170</u>	<u>155</u>

	2022 £	2021 £
Directors' remuneration	650,823	745,802
Pension contributions to money purchase schemes	5,864	7,410
	<u>656,687</u>	<u>753,212</u>

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

	2022	2021
Money purchase schemes	3	4

Information regarding the highest paid director is as follows:

	2022 £	2021 £
Emoluments etc	384,497	427,955
Pension contributions to money purchase schemes	2,414	2,308
	<u>386,911</u>	<u>430,263</u>

The directors were the only key management personnel within the company in the current and prior year.

LINCS. ELECTRICAL WHOLESALERS LIMITED (REGISTERED NUMBER: 02262735)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

7. OPERATING PROFIT

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

	2022	2021
	£	£
Hire of plant and machinery	164,727	148,323
Other operating leases	425,324	362,671
Depreciation - owned assets	347,767	274,619
Profit on disposal of fixed assets	(21,020)	(7,500)
Computer software amortisation	12,862	-
Auditors' remuneration	14,500	14,500
Preparation of accounts	2,724	2,750
Taxation compliance services	2,000	2,000
Other non-audit services	3,500	3,507

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Sundry interest	-	15,108

9. TAXATION

Analysis of the tax charge

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

	2022	2021
	£	£
Current tax:		
UK corporation tax	456,953	549,865
Over / under provision	19	-
Total current tax	456,972	549,865
Deferred tax	144,612	128,289
Tax on profit	601,584	678,154

Reconciliation of total tax charge included in profit and loss

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

	2022	2021
	£	£
Profit before tax	2,674,923	3,086,776
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	508,235	586,487
Effects of:		
Expenses not deductible for tax purposes	98,291	38,112
Income not taxable for tax purposes	(3,994)	-
Capital allowances in excess of depreciation	(145,579)	(74,734)
Adjustments to tax charge in respect of previous periods	19	-
Deferred tax charge	144,612	128,289
Total tax charge	601,584	678,154

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 August 2022.

LINCS. ELECTRICAL WHOLESALERS LIMITED (REGISTERED NUMBER: 02262735)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

9. TAXATION - continued

	Gross £	2021 Tax £	Net £
Share buyback	(551,500)	-	(551,500)
Share capital cancelled	3,100	-	3,100
	<u>(548,400)</u>	<u>-</u>	<u>(548,400)</u>

10. DIVIDENDS

	2022 £	2021 £
Ordinary A shares of £1 each	67,500	172,250
Ordinary B shares of £1 each	<u>67,500</u>	<u>144,000</u>
	<u>135,000</u>	<u>316,250</u>

11. INTANGIBLE FIXED ASSETS

	Computer software £
COST	
Additions	481,156
At 31 August 2022	<u>481,156</u>
AMORTISATION	
Amortisation for year	12,862
At 31 August 2022	<u>12,862</u>
NET BOOK VALUE	
At 31 August 2022	<u>468,294</u>

12. TANGIBLE FIXED ASSETS

	Freehold land £	Freehold buildings £	Plant and machinery £
COST			
At 1 September 2021	52,500	314,240	220,652
Additions	-	-	19,436
Disposals	-	-	-
At 31 August 2022	<u>52,500</u>	<u>314,240</u>	<u>240,088</u>
DEPRECIATION			
At 1 September 2021	-	65,468	180,969
Charge for year	-	6,285	19,438
Eliminated on disposal	-	-	-
At 31 August 2022	<u>-</u>	<u>71,753</u>	<u>200,407</u>
NET BOOK VALUE			
At 31 August 2022	<u>52,500</u>	<u>242,487</u>	<u>39,681</u>
At 31 August 2021	<u>52,500</u>	<u>248,772</u>	<u>39,683</u>

LINCS. ELECTRICAL WHOLESALERS LIMITED (REGISTERED NUMBER: 02262735)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

12. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 September 2021	1,568,702	526,870	2,682,964
Additions	469,137	102,633	591,206
Disposals	(35,995)	(102,828)	(138,823)
At 31 August 2022	2,001,844	526,675	3,135,347
DEPRECIATION			
At 1 September 2021	694,108	225,447	1,165,992
Charge for year	198,630	123,414	347,767
Eliminated on disposal	(31,327)	(102,166)	(133,493)
At 31 August 2022	861,411	246,695	1,380,266
NET BOOK VALUE			
At 31 August 2022	1,140,433	279,980	1,755,081
At 31 August 2021	874,594	301,423	1,516,972

13. STOCKS

	2022 £	2021 £
Stocks	4,777,647	4,571,351

14. DEBTORS

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	9,403,884	9,054,800
Prepayments and accrued income	2,971,266	2,575,689
	12,375,150	11,630,489
Amounts falling due after more than one year:		
Amounts owed by associated undertakings	989,983	1,047,179
	989,983	1,047,179
Aggregate amounts	13,365,133	12,677,668

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Bank loans and overdrafts (see note 16)	-	174,644
Trade creditors	6,752,540	6,300,113
Tax	176,953	549,774
Social security and other taxes	133,929	127,522
VAT	489,342	527,115
Accruals and deferred income	2,103,683	2,191,299
	9,656,447	9,870,467

LINCS. ELECTRICAL WHOLESALERS LIMITED (REGISTERED NUMBER: 02262735)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

16. LOANS

An analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year or on demand:		
Bank overdrafts	-	174,644

Bank overdrafts are secured via a floating charge over the assets and undertakings of the company.

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022 £	2021 £
Within one year	434,240	462,970
Between one and five years	925,681	841,518
In more than five years	442,625	199,983
	<u>1,802,546</u>	<u>1,504,471</u>

18. PROVISIONS FOR LIABILITIES

	2022 £	2021 £
Deferred tax	<u>428,644</u>	<u>284,032</u>

	Deferred tax £
Balance at 1 September 2021	284,032
Provided during year	<u>144,612</u>
Balance at 31 August 2022	<u>428,644</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2022	2021
Number:	Class:	Nominal value:	£	£
450	Ordinary A	1	450	450
450	Ordinary B	1	450	450
			<u>900</u>	<u>900</u>

The Ordinary A and Ordinary B shares carry equal voting rights.

In the previous year, the E shares were cancelled in full. There was also a company purchase of own shares in the prior year whereby 100 Ordinary A shares were repurchased for £551,500.

LINCS. ELECTRICAL WHOLESALERS LIMITED (REGISTERED NUMBER: 02262735)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

20. RESERVES

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 September 2021	8,765,673	3,100	8,768,773
Profit for the year	2,073,339		2,073,339
Dividends	(135,000)		(135,000)
At 31 August 2022	<u>10,704,012</u>	<u>3,100</u>	<u>10,707,112</u>

21. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions paid by the company to the fund and amounted to £124,893 (2021: £108,315). There is no liability in relation to pensions as at the year end.

22. RELATED PARTY DISCLOSURES

During the year, total dividends of £50,700 were paid to the directors.

A company under common control

There was a balance owed from an entity related by way of common ownership at the start and end of the period. The amount brought forward was £1,047,179 (2021: £1,113,000) with interest charged through the year of £19,983 (2021: £21,179). Net cash transfers in the year resulted were a receipt £14,864 (2021: £25,002). Charges from the related party in the year amounted to £61,315 (2021: £40,819). This left a balance owed to the company of £989,983 (2021: £1,047,179).

23. ULTIMATE CONTROLLING PARTY

No one person controls the company. Post-year end a business restructure was carried out and LEW Group Holdings Limited (13869957) became the parent of this company. This restructure took place on 01/12/2022 and was a share for share exchange. Following the restructure, there is still no one controlling party of this entity.