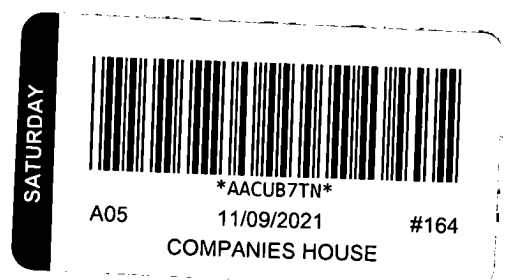


Swift Electrical Wholesalers (S-O-T) Limited

REPORT AND FINANCIAL STATEMENTS

31 December 2020

Company Registration No. 02401639



Swift Electrical Wholesalers (S-O-T) Limited

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Swift Electrical Wholesalers (S-O-T) Limited

DIRECTORS AND ADVISORS

DIRECTORS

CD Honer
SL Honer
JI Lawson
BM Gates
NG Roberts

SECRETARY

JI Lawson

REGISTERED OFFICE

PO Box 141
Monarch Works
Elswick Road
Stoke-on-Trent
Staffordshire
ST4 1EW

AUDITOR

RSM UK Audit LLP
Chartered Accountants
Festival Way
Stoke-on-Trent
Staffordshire
ST1 5BB

LEGAL ADVISOR

Knights Professional Services Limited
The Brampton
Newcastle-under-Lyme
Staffordshire
ST5 0QW

Swift Electrical Wholesalers (S-O-T) Limited

STRATEGIC REPORT

The directors have pleasure in submitting their Strategic Report for Swift Electrical Wholesalers (S-O-T) Limited for the year ended 31 December 2020.

REVIEW OF THE YEAR

2020: COVID-19 Impact

In common with other businesses in our sector, the first national lockdown had a disruptive effect on our business, many of our Kitchen Studio and Electrical Retailer customers were forced to close by the UK Government restrictions.

During the lockdown period we continued to trade on a reduced basis with a team of key personnel servicing essential customers who could still operate, including those in the construction sector.

Once the restrictions in our sector were lifted in mid-June 2020 we witnessed demand returning rapidly and up to 31st October saw business trading at 2019 levels, however our ability to fulfil certain product categories has been impacted by global shortages of components for many appliance manufactures. The key suppliers are reporting that these shortages will impact the supply chain well into 2022.

The second national lockdown during November did not have anywhere near as pronounced an effect as the first and overall, the business finished the final quarter in line with the same period in 2019.

2020: Trading

Our business was substantially affected from the time of the lockdown announcement on 23rd March 2020 when the stay-at-home advice was issued by HM Government and non-essential businesses closed. Prior to the lockdown announcement, as the COVID-19 situation developed our senior management team were planning to maintain a level of service to our customers through what transpired to be significant national disruption. Due to this planning we were able to switch to home working for relevant staff and continue service for those customers still able to operate.

During the period of interruption to normal trading levels, our working capital was successfully managed through close interaction with our financiers and creditors, who were immensely supportive and pragmatic through unprecedented circumstances.

Overall turnover fell by 21.3% compared to 2019 but the vast majority of that reduction was in the first half of the year, which was 39.8% down on 2019. In contrast despite the continuing restrictions the second half of 2020 was only 1.9% down, with the final quarter exceeding 2019 by 7.7%.

Gross margin as a percentage fell from 18.3% in 2019 to 17.2%. The key driver behind this was lower purchase volumes due to the pandemic meaning that we did not qualify for the same levels of retrospective rebate as previous years.

Excluding other operating income and exceptional items, distribution costs saw a reduction of 10.1% at £1.5m with administration costs broadly unchanged year-on-year at £2.0m.

We are pleased to report an improvement in reducing the overall levels of stock in the business at the year end, and with average stock days remaining similar at 48.2 days (2019: 46.9 days).

Debtor days increased to 58.2 days (2019: 40.2 days), primarily due to a change in the composition of the ledger in the second half of the year with Construction sector customers with different terms making up a higher proportion of the ledger on average than during 2019. As part of the deal structure at acquisition in 2019, an intra-group loan was established with Swift Electrical's top-co Honer Holdings Limited.

As part of this structure an intra-group dividend was declared on 30th September 2020 to offset part of the balance outstanding from the holding Company. This was a non-cash transaction.

Swift Electrical Wholesalers (S-O-T) Limited

STRATEGIC REPORT

FUTURE DEVELOPMENTS

2021: COVID-19 Impact

The announcement of further lock-down restrictions by HM Government at the start of 2021 meant that many of our customers entered the new year under a new set of restrictions.

Notwithstanding this, the fact that the restrictions were not as tight as the first lockdown and that many businesses were finding ways to continue to trade within the rules, meant that although there was a restrictive effect on Q1 trading, it was not severe.

Our Q1 trading was only 1.8% below Q1 2019 with sales levels recovering towards the end of March.

There remains some uncertainty over the ongoing Covid-19 restrictions, however the re-opening of non-essential retail in May 2021 means that all of our customers are now able to open their premises for business.

The directors envisage that overall trading levels for 2021 should exceed those of 2019 pre-pandemic.

Further initiatives for 2021

During 2020 it was agreed that the business would enter the Independent Merchant sector. This initiative has been received well by all the merchant buying groups resulting in multiple trading agreements being agreed for 2021, many of which are on an exclusive supply basis. We also continued our success in the Construction sector and established new relationships with key partners.

During Q2 2021, the Swift Store online portal was completely refreshed and relaunched to the retailers. The portal provides real-time stock information, technical information and specification in downloadable formats as well as 24 hour access to order placement.

Purchasing wise, the business has established even closer links with the 3 main suppliers and signed a trading agreement with the market leader in range cooking for a January 2021 launch. During Q3 of 2021, the business will announce a unique partnership with one of the existing suppliers which will deliver significant profitable incremental business starting from Q4 2021 and beyond, as the supplier alters their route to market across the tail of their customer base, with Swift being the exclusive distributor of choice for these accounts.

The continued work of the team will allow the business to fully benefit from the post-pandemic recovery expected during 2021, following the implementation of HM Government's plans for mass vaccination against the virus.

KEY PERFORMANCE INDICATORS

The Company has established robust KPI's to measure its progress in achieving its business objectives and strategy. The board reviews performance against these measures monthly; the principal performance measures are:

Sales Turnover

The objective is to increase our turnover year on year through adding value via product ranges, pricing and offering industry leading customer service. Sales targets and measured against actual sales on a rolling basis.

Customer service metrics play a major part of daily life within the business and these include: Call Centre effectiveness and speed of response, customer feedback via Customer Satisfaction Surveys and a daily OTIF (on time in full) meeting to review and act on any delivery fails from the previous day.

Swift Electrical Wholesalers (S-O-T) Limited

STRATEGIC REPORT

KEY PERFORMANCE INDICATORS (continued)

The Company missed its growth objective in 2020 as the pandemic rendered all projections made before it hit essentially meaningless, but as the effects of the lockdown eased in Q4 we began to see the potential of the business as sales figures began to exceed the same point in 2019.

Gross Margin

Gross Margin targets are set for each product category with the aim to maintain and improve on margins achieved. This is reviewed on an ongoing basis and forms part of the overall process of control and performance management. As reported earlier, gross margin decreased from 18.3% in 2019 to 17.2%.

We were able to partially meet our purchasing targets with key suppliers despite the restrictions in volumes as a result of the pandemic, but nevertheless the volumes achieved were at a lower level than in previous years.

Net Profit/EBITDA

Net Profit and EBITDA targets are reviewed by management on a rolling basis. The EBITDA result excluding items directly related to the acquisition was negative £508k for 2020 (2019: positive £62k). The reduction in sales volume was the key driver of this change.

Working Capital Control

- Cash management: We regularly review and update our short- and medium-term cash-flow projections to ensure that we remain inside our financier's expectation.
- Stock control: Stock levels are reviewed weekly, thereby highlighting any potential problems in relation to shortages of stock or ageing stocks. Stock turn also remains a key indicator of buying efficiencies. We were able to reduce overall stock held by £306k compared to the end of 2019. Stock turn as an annual measure was maintained at 7.6 times (7.7 times in 2019).
- Trade Debtor levels: Trade debtor days and levels of overdue debt are reviewed monthly, to enable effective measures to be taken to recover receivables on an efficient and timely basis.

The average-basis debtor day ratio increased to 58.2 days in 2020 (2019: 40.2 days).

FINANCIAL INSTRUMENTS

The significant financial risks and exposures to the Company are in respect of liquidity, interest rates and credit risk. The finance department manages these risks in order to minimise any adverse effects on the Company.

- Liquidity risk – the funding policy aims to ensure an appropriate amount of funding to meet current and future requirements. The Company is required to meet the principal bank covenant relating to the level of finance available as a proportion of applicable trade debtors, this governs the level of borrowing at all times.
- Interest rate risk – During the year, the Company financed its operations through a mixture of retained profit, cash and finance facilities. The Company was subject to the effects of fluctuations in the base rate applied by Praetura Commercial Finance.
- Credit risk – the risk of bad debts is mitigated by thorough credit control procedures and the operation of a debt insurance policy with Atradius.

Swift Electrical Wholesalers (S-O-T) Limited

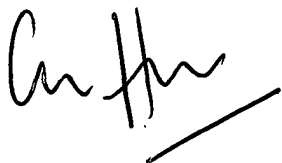
STRATEGIC REPORT

PRINCIPAL RISKS AND UNCERTAINTIES

1. Competition activity is a perennial challenge for our Company which is discussed at our monthly sales and management meetings.
2. Supplier performance is also factor which we discuss and manage on a weekly basis within our purchasing meeting. The management also meet the top 5 supplier account managers on a weekly basis via VC.
2. Regulatory changes – recent increases in the levels of environmental legislation have seen an increased financial burden on our suppliers, who are in the main passing these costs on to us.
3. Changes in consumer behaviour – stagnation in consumer spending causes uncertainties in our retail sales performance.
4. Housing market – our house builder sector sales are sensitive to the housing market as a whole, which are affected by Government policy decisions out of our control, the Bank of England's interest rate decisions and the banks' lending criteria re mortgages to house buyers.
5. Technological factors – the rise in on-line shopping has eroded our traditional retail customer base as smaller retail outlets struggle to compete against internet sellers.
6. Exchange rates – although we purchase the vast majority of our goods in the UK in sterling, many of our suppliers manufacture in the Eurozone or in the Far East where they are transacting in US dollars. The continuing weakness of sterling in certain world markets has continued to exert upward pressure on prices from our suppliers.

By order of the board

CD Honer
Director



2nd August 2021

Swift Electrical Wholesalers (S-O-T) Limited

DIRECTORS' REPORT

The directors submit their annual report and the audited financial statements of Swift Electrical Wholesalers (S-O-T) Limited for the year ended 31 December 2020.

The "Future Developments" and "Financial Instruments" sections required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 have been included in the separate Strategic Report in accordance with section 414C(11) of the Companies Act 2006.

PRINCIPAL ACTIVITIES

The principal activity and nature of business of the Company during the year has been the distribution of electrical domestic appliances.

RESULTS AND DIVIDENDS

The pre-tax loss is £674,860 (2019: £291,264). A final dividend of £3,460,507 (£167.99 per share) has been proposed for the year and approved by the shareholders pre year-end (2019: £nil).

DIRECTORS

The following directors have held office in the year:

CD Honer
SL Honer
JI Lawson
BM Gates
NG Roberts

THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

Qualifying third party indemnity provision is in place for the benefit of all directors of the Company.

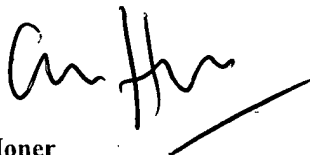
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

By order of the board



CD Honer
Director

2nd August 2021

Swift Electrical Wholesalers (S-O-T) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SWIFT ELECTRICAL WHOLESALERS (S-O-T) LIMITED

Opinion

We have audited the financial statements of Swift Electrical Wholesalers (S-O-T) Limited (the 'company') for the year ended 31 December 2020 which comprise the Statement of Income and Retained Earnings, Statement of Financial Position 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SWIFT ELECTRICAL WHOLESALE (S-O-T) LIMITED (continued)

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, 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 the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk 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 and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SWIFT ELECTRICAL WHOLESALE (S-O-T) LIMITED (continued)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102 and compliance with the Companies Act 2006 and Tax compliance regulations and government grant income. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included, reviewing financial statement disclosures, completion of disclosure checklists to identify areas of non-compliance, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors. We obtained an understanding of the nature and quantum of grant income receivable in the period, inquired of management on how the entity has complied with the associated regulatory framework and testing of a sample of entries included on these associated claims.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to employment law and health and safety. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these law and regulations and inspected correspondence with relevant authorities.

The audit engagement team identified the risk of management override of controls, revenue recognition, bad debt provision and stock provisions as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates applied by management. Audit procedures performed over the revenue recognition included testing the operating effectiveness of controls, performing cut off tests, and tests of detail to cover all revenue assertions. Procedures over bad debt and stock provisions included challenging judgments and estimates applied in the methodology adopted in establishing the provisions and test of detail to cover the valuation assertion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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.

RSM UK Audit Up

Adam Krupski (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Festival Way
Festival Park
Stoke-on-Trent
Staffordshire
ST1 5BB

3 August 2021

Swift Electrical Wholesalers (S-O-T) Limited

STATEMENT OF INCOME AND RETAINED EARNINGS

for the year ended 31 December 2020

	Note	2020 £	2019 £
TURNOVER		15,336,359	19,477,981
Cost of sales		(12,702,994)	(15,913,429)
GROSS PROFIT		2,633,365	3,564,552
Distribution costs		(1,526,570)	(1,697,291)
Administrative expenses before exceptional costs		(2,050,233)	(2,021,975)
Exceptional items – share based payment charge		-	(123,773)
Total administration costs		(2,050,233)	(2,145,748)
Other operating income	2	252,919	-
OPERATING LOSS		(690,519)	(278,487)
Interest receivable	3	49,055	49,044
Interest payable and similar expenses	4	(33,396)	(61,821)
LOSS BEFORE TAXATION	2 – 7	(674,860)	(291,264)
Taxation	8	117,281	46,654
LOSS FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		(557,579)	(244,610)
RETAINED EARNINGS AT 1 JANUARY		4,244,478	4,365,315
Dividends	9	(3,460,507)	-
Share based payment charge	18	-	123,773
RETAINED EARNINGS AT 31 DECEMBER		226,392	4,244,478

Swift Electrical Wholesalers (S-O-T) Limited

STATEMENT OF FINANCIAL POSITION

as at 31 December 2020

	Note	2020		2019	
		£	£	£	£
FIXED ASSETS					
Intangible assets	10		38,579		44,347
Tangible assets	11		73,237		166,453
Investments	12		1		1
			<u>111,817</u>		<u>210,801</u>
CURRENT ASSETS					
Stocks	13	1,525,054		1,831,580	
Debtors	14	3,399,704		6,292,148	
Cash at bank and in hand		58,685		4,056	
			<u>4,983,443</u>		<u>8,127,784</u>
CREDITORS: Amounts falling due within one year	15	(4,648,032)		(4,088,426)	
NET CURRENT ASSETS			<u>335,411</u>		<u>4,039,358</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>447,228</u>		<u>4,250,159</u>
CREDITORS: Amounts falling due after more than one year	16		(220,834)		(1)
PROVISIONS FOR LIABILITIES	17		-		(5,678)
NET ASSETS			<u>226,394</u>		<u>4,244,480</u>
CAPITAL AND RESERVES					
Called up share capital	18		2		2
Profit and loss account			226,392		4,244,478
TOTAL EQUITY			<u>226,394</u>		<u>4,244,480</u>

These financial statements on pages 11 to 29 were approved by the board of directors and authorised for issue on 2nd August 2021 and are signed on its behalf by:

CD Honer
Director

Company Registration No. 02401639

Swift Electrical Wholesalers (S-O-T) Limited

ACCOUNTING POLICIES

GENERAL INFORMATION

Swift Electrical Wholesalers (S-O-T) Limited ("the Company") is a private Company limited by shares and is registered, domiciled and incorporated in England.

The address of the Company's registered office and principal place of business is:

PO Box 141
Monarch Works
Elswick Road
Stoke-on-Trent
Staffordshire
ST4 1EW

The Company's principal activity and nature of operations is the distribution of electrical domestic appliances.

BASIS OF ACCOUNTING

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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

Monetary amounts in these financial statements are rounded to the nearest £1 except where otherwise noted.

This Company is a qualifying entity for the purposes of FRS102, 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 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; 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 33 'Related Party Disclosures' – Compensation for key management personnel.

Swift Electrical Wholesalers (S-O-T) Limited is a wholly owned subsidiary of Honer Holdings Limited and the results of Swift Electrical Wholesalers Limited are included in the consolidated financial statements of Honer Holdings Limited, its ultimate parent Company, which are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

These financial statements present information about the Company as an individual undertaking and not about its Group as the Company has taken advantage of the exemption provided by s400 of the Companies Act 2006 not to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Honer Holdings Limited, a Company incorporated in the UK.

Swift Electrical Wholesalers (S-O-T) Limited

ACCOUNTING POLICIES

GOING CONCERN

The Company has prepared forecasts and projections, taking account of reasonably possible changes in trading performance, for a period of at least 12 months following approval of the financial statements. In assessing the ability of the Company to continue to operate as a going concern for the foreseeable future, the directors have considered scenarios which have involved a degree of judgement based upon experience of the sector, including potential continued global shortages of components which may impact appliance manufactures, forecast activity and the cash resources and facilities available to ensure that the financial statements can be prepared on the going concern basis. Since the significance of the economic impacts of the COVID-19 outbreak have become more apparent, the directors have reviewed in detail the Company's position and the appropriate basis on which to prepare the financial statements.

Whilst the directors recognise that 2021 and 2022 will be challenging years, on the basis of the experience to the date of approval of the financial statements and consideration of the possible future impact on the customer base, costs to the business and cashflows, they consider that it remains appropriate to prepare the financial statements on a going concern basis. Potential ongoing impacts of the COVID-19 outbreak cannot presently be estimated with any certainty, but the consideration of outcomes when preparing the forecasts has satisfied the directors that there are mitigation strategies available to deal with the impact of the ongoing pandemic and can operate within their available facilities. One of these facilities is due for renewal in March 2022 within the 12 period months from signing these financial statements. Management have no reason to believe these facilities will not be renewed and continue to maintain a good relationship with their funders.

The financial statements have therefore been prepared on a going concern basis with the Company holding adequate cash reserves and facilities through its financing arrangements to enable it to meet liabilities as they fall due.

FUNCTIONAL AND PRESENTATIONAL CURRENCIES

The financial statements are presented in sterling which is also the functional currency of the Company.

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods to external customers in the ordinary nature of the business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax and is derived solely in the UK.

Sale of goods

Turnover is recognised when it and the associated costs can be measured reliably, future economic benefits are probable, and the risks and rewards of ownership have been transferred to the customer. Sales of goods are recognised when goods are delivered and legal title has passed and the Company has no continuing managerial involvement associated with ownership or effective control of the goods sold. This is generally when goods have been checked and accepted by the customer on delivery at the specified location.

GOODWILL

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life of twenty years. A period of twenty years has been selected by the directors as this represents their best estimate of the period over which the goodwill is expected to give rise to economic benefits, taking into consideration the customer and supplier relationships and reputation acquired. Goodwill is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

Swift Electrical Wholesalers (S-O-T) Limited

ACCOUNTING POLICIES

INTANGIBLE FIXED ASSETS (OTHER THAN GOODWILL)

Intangible assets purchased other than in a business combination are recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows:-

Purchased computer software - 20% to 33% on cost

The directors consider the useful lives of purchased computer software to be between 3 and 5 years because this is the length of time that the software is expected to be used in the business.

Amortisation is revised prospectively for any significant change in useful life or residual value.

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised in profit or loss.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost, net of depreciation and any provision from impairment.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimate residual value evenly over its expected useful life, as follows:

Short leasehold property improvements	- over the period of the lease : 5 years from March 2018
Plant and machinery	- 25% to 50% on cost
Computer equipment	- 20% to 50% on cost
Motor vehicles	- 25% on cost

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

FIXED ASSET INVESTMENTS

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

LEASES

Finance Leases

An asset and corresponding liability are recognised for leasing agreements that transfer to the Company substantially all of the risks and rewards incidental to ownership ("finance leases"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are expensed as incurred.

Operating Leases

All other leases are operating leases and the annual rentals are charged to profit or loss on a straight line basis over the lease term.

Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight-line basis over the lease term.

Swift Electrical Wholesalers (S-O-T) Limited

ACCOUNTING POLICIES

STOCKS

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the weighted average cost basis.

At each reporting date, the Company assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock 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.

RETIREMENT BENEFITS

The Company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the Company in independently administered funds. The amount charged against profits represents the contributions payable to the schemes in respect of the accounting period.

Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

EMPLOYEE BENEFITS

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are not taxable or deductible or are assessed for tax in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

Current and deferred tax is charged or credited in profit or loss.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Swift Electrical Wholesalers (S-O-T) Limited

ACCOUNTING POLICIES

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, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade, group and other debtors

Trade, group and other debtors which are receivable within one year are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments 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.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Trade, group and other creditors

Trade, group and other creditors (including accruals) payable within one year are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, 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. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

CASH EQUIVALENTS

The cash equivalents included in debtors are short-term, highly liquid deposits held in payment intermediary accounts that are readily convertible to known amounts of cash.

RESERVES

Profit and loss reserve

Cumulative profit and loss net of distributions to owners.

Swift Electrical Wholesalers (S-O-T) Limited

ACCOUNTING POLICIES

DIVIDENDS

Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

SHARE BASED PAYMENTS

The expense in relation to options over the Company's shares granted to employees is recognised by the Company as equity-settled and shown as a capital contribution to the subsidiary by increasing the parent Company's investment.

EXCEPTIONAL ITEMS

Exceptional items are material items which individually, or if of a similar type, in aggregate, need to be disclosed by virtue of their size of incidence in order to assist in understanding the Company's financial performance.

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.

Swift Electrical Wholesalers (S-O-T) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

1 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates, assumptions and areas of judgement

The realisable value of stock is calculated using long established and well tested methodologies that take account of the age of the stock, expected obsolescence and changes in market dynamics.

The provisions on trade debtors are calculated using expected levels of post year end sales credit notes and expected future cash flows based on the age of specific debts and the financial position of the debtors.

2 OTHER INCOME

	2020 £	2019 £
Government grants	252,919	-

3 INTEREST RECEIVABLE

	2020 £	2019 £
Bank interest receivable	68	1,214
Intra-group interest	48,987	47,830
	49,055	49,044

4 INTEREST PAYABLE AND SIMILAR EXPENSES

	2020 £	2019 £
Finance charges payable in respect of finance lease contracts	5,605	7,560
Other charges	27,791	54,261
	33,396	61,821

Swift Electrical Wholesalers (S-O-T) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

5 LOSS BEFORE TAXATION

	2020 £	2019 £
Loss before taxation is stated after charging/(crediting):		
Depreciation and other amounts written off tangible fixed assets:		
Owned	111,662	69,570
Leased	-	72,742
Profit on disposal of tangible fixed assets	(10,750)	(1,050)
Amortisation of computer software	14,941	14,491
Amortisation of goodwill	22,027	27,881
Share based payments	-	123,773
Operating lease rentals:		
Plant and machinery	89,525	81,216
Land and Buildings	176,208	176,208
Audit services:		
Statutory audit	18,500	19,375
Stock:		
Impairment losses/(gains) on stock	17,338	(38,397)
	<u>17,338</u>	<u>(38,397)</u>

Exceptional costs

The share-based payments charge is an exceptional cost as it is a one-off transaction relating to shares options issued in the year.

6 EMPLOYEES

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	2020 Number	2019 Number
Management, clerical and administration	16	14
Selling and distribution	45	49
	<u>61</u>	<u>63</u>

The aggregate payroll costs of these persons were as follows:

	2020 £	2019 £
Wages and salaries	1,647,528	1,579,864
Social security costs	172,505	160,253
Other pension costs	55,994	53,548
Cost of employee share schemes	-	123,786
	<u>1,876,027</u>	<u>1,917,451</u>

Swift Electrical Wholesalers (S-O-T) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

6 EMPLOYEES (continued)

REMUNERATION OF DIRECTORS	2020 £	2019 £
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Directors' emoluments	212,022	186,988
Company contributions to money purchase schemes	7,300	5,162
Amounts receivable under incentive schemes	-	29,915

	<u>219,322</u>	<u>222,065</u>
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	2020 Number	2019 Number
--	------------------------	------------------------

Retirement benefits are accruing to the following number of directors under:

Money purchase pension schemes	<u>2</u>	<u>2</u>
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The number of directors who received shares under incentive schemes was

	2020 Number	2019 Number
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Number of directors who exercised share options	<u>-</u>	<u>1</u>
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The highest paid director in the year received emoluments of £128,043 (2019: £93,243) and pension contributions of £4,800 (2019: £2,500).

7 RETIREMENT BENEFITS

The Company operates a defined contribution pension scheme. The pension charge for the year represents contributions payable by the Company to the funds and amounted to £55,994 (2019: £53,548).

At 31 December 2020, contributions of £8,686 were payable to the fund (2019: £8,201) and included in accruals and deferred income.

Swift Electrical Wholesalers (S-O-T) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

8	TAXATION	2020	2019
		£	£
	Current tax:		
	Adjustments in respect of prior periods	-	(26,051)
	Total current tax	-	(26,051)
	Deferred tax:		
	Origination and reversal of timing differences	(117,949)	(20,603)
	Adjustments in respect of prior periods	668	-
	Total deferred tax	(117,281)	(20,603)
	Tax on loss	(117,281)	(46,654)

Factors affecting tax charge for the year:	2020	2019
	£	£

The tax assessed for the year is higher (2019: higher) than the average standard rate of corporation tax in the UK 19% (2019: 19%). The differences are explained below:

Loss before tax	(674,860)	(291,264)
Loss before tax multiplied by the average standard rate of corporation tax in the UK 19% (2019: 19%)	(128,223)	(55,340)
Effects of:		
Expenses not deductible for tax purposes	10,274	25,221
Losses carried back	-	26,051
Adjustments to tax charge in respect of previous periods	-	(26,051)
Deferred tax rate differences	668	2,424
Deductions for exercise of share options	-	(18,959)
Total tax credit for the year	(117,281)	(46,654)

Factors that may affect future tax charges

The standard rate of corporation tax in the United Kingdom for the year was 19% (2019: 19%). The Finance Act 2016 enacted a further reduction in the main rate of corporation tax to 17% with effect from 1 April 2020. However, the Budget which took place on 11 March 2020 confirmed the rate of corporation tax will remain at 19% from 1 April 2020, cancelling the enacted rate reduction to 17%. The rate reduction reversal was substantively enacted on 17 March 2020 by way of a special resolution. Deferred tax has therefore been provided at a rate of 19% (2019: 17%) as this was enacted the following year.

Swift Electrical Wholesalers (S-O-T) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

9 DIVIDENDS

	2020	2019
	£	£
Final dividend £167.99 per share (2019: £nil)	3,460,507	-

10 INTANGIBLE FIXED ASSETS

	Purchased Computer Software £	Goodwill £	Total £
<i>Cost</i>			
At beginning of year	323,246	557,644	880,890
Additions	31,200	-	31,200
At end of year	354,446	557,644	912,090
<i>Amortisation</i>			
At beginning of year	300,926	535,617	836,543
Charge for year	14,941	22,027	36,968
At end of year	315,867	557,644	873,511
<i>Carrying amount</i>			
At 31 December 2020	38,579	-	38,579
At 31 December 2019	22,320	22,027	44,347

The amortisation of intangible fixed assets is included within administrative expenses.

Swift Electrical Wholesalers (S-O-T) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

11 TANGIBLE FIXED ASSETS

	Short leasehold property improvements £	Plant, machinery and computer equipment £	Motor vehicles £	Total £
<i>Cost</i>				
At beginning of year	89,542	386,853	736,100	1,212,495
Additions	3,278	15,168	-	18,446
Disposals	-	-	(133,188)	(133,188)
At end of year	92,820	402,021	602,912	1,097,753
<i>Depreciation</i>				
At beginning of year	75,442	364,636	605,964	1,046,042
Charge for year	3,372	13,518	94,772	111,662
On disposals	-	-	(133,188)	(133,188)
	78,814	378,154	567,548	1,024,516
<i>Carrying amount</i>				
At 31 December 2020	14,006	23,867	35,364	73,237
At 31 December 2019	14,100	22,217	130,136	166,453

Included in the above are assets held under finance lease contracts as follows:

	Net book value		Depreciation	
	2020	2019	2020	2019
	£	£	£	£
Motor vehicles	-	86,716	-	72,742

Swift Electrical Wholesalers (S-O-T) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

12 INVESTMENTS

	Investments in subsidiary undertakings £
<i>Cost</i>	
At beginning and end of year	1,837,551
<i>Provision for impairment</i>	
At beginning and end of year	1,837,550
<i>Carrying amount</i>	
At 31 December 2020	1
At 31 December 2019	1

The Company holds more than 20% of the equity of the following undertaking:

<i>Name</i>	<i>Principal activity</i>	<i>Registered office</i>	<i>Shareholding</i>
Swift Electrical Distributors Limited	Dormant	PO Box 141 Monarch Works Elswick Road Stoke-on-Trent Staffordshire ST4 1EW	100% ordinary share capital

Financial information relating to the subsidiary undertaking for the year ended 31 December 2020 is as follows:

	Capital and reserves £	Profit after tax £
Swift Electrical Distributors Limited	1	-

Swift Electrical Wholesalers (S-O-T) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

13 STOCKS

	2020	2019
	£	£
Finished goods and goods for resale	1,525,054	1,831,580

14 DEBTORS

	2020	2019
	£	£
<i>Amounts falling due within one year:</i>		
Trade debtors	2,781,410	2,105,285
Other debtors	2,096	402,040
Cash equivalents	4,258	2,770
Corporation tax receivable	26,041	26,041
Prepayments and accrued income	166,409	184,296
Amount due to parent company	307,887	3,571,716
Deferred tax asset	111,603	-
	3,399,704	6,292,148

Trade debtors are stated net of a provision of £261,967 (2019: £250,755).

15 CREDITORS: amounts falling due within one year

	2020	2019
	£	£
Bank facility	1,245,273	1,563,946
Bank loan	38,217	191,888
Obligations under finance leases	-	22,630
Trade creditors	2,755,150	2,068,937
Other taxation and social security	424,871	118,000
Accruals and deferred income	184,521	123,025
	4,648,032	4,088,426

On 27 March 2019 a debenture incorporating a fixed and floating charge over all current and future assets of the Company was given in favour of Praetura Commercial Finance Limited. All existing debentures held by other parties prior to 27 March 2019 were satisfied at this date.

The bank loan attracts an interest rate of 6.75% above the Bank of England base rate and is repayable on a monthly instalment basis. The final repayment was made in January 2021.

Swift Electrical Wholesalers (S-O-T) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

15 CREDITORS: amounts falling due within one year (continued)

The finance facility provided by Praetura Commercial Finance attracts an interest charge of 2.75% over the Bank of England base rate subject to a minimum of 0.75%.

Other loans attract an interest rate of 8.90% charged from the first anniversary of the loan advance.

16 CREDITORS: amounts falling due after more than one year

	2020 £	2019 £
Amounts owed to group undertakings	1	1
Bank loan	220,833	-
	<hr/>	<hr/>
	220,834	1
	<hr/>	<hr/>

Finance leases

The maturity of obligations under finance leases is as follows:

	2020 £	2019 £
Amounts payable by instalments:		
Within one year	-	22,630
Within two to five years	-	-
	<hr/>	<hr/>
	-	22,630
	<hr/>	<hr/>

Obligations under finance leases were secured by the related assets and bore finance charges at rates ranging 3.50% to 3.71% per annum in 2019.

Finance lease payments represent rentals payable by the Company for certain motor vehicles. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Company's obligations under finance leases were secured by the lessor's charge over the leased assets. The net book value of secured assets is disclosed in note 11.

Swift Electrical Wholesalers (S-O-T) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

17 PROVISIONS FOR LIABILITIES

	Deferred taxation £
Liability at beginning of the year	5,678
Credit to statement of income	(117,281)
	<hr/>
Asset at end of the year	(111,603)
	<hr/>

Provision for deferred tax liability has been made as follows:-

	2020 £ Provided	2020 £ Unprovided	2019 £ Provided	2019 £ Unprovided
Difference between accumulated depreciation and capital allowances	462	-	6,408	-
Other timing differences	(856)	-	(730)	-
Losses	(111,209)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	(111,603)	-	5,678	-
	<hr/>	<hr/>	<hr/>	<hr/>

The deferred tax liability of £462 (2019: £6,408) is expected to reverse over the next 5 years and relates to accelerated capital allowances that are expected to mature within the same period.

The deferred tax asset of £103,956 (2019: £730) is expected to reverse within 12 months and relates to tax losses to be reclaimed.

18 CALLED UP SHARE CAPITAL

	2020 £	2019 £
Allotted, called up and fully paid 20,600 shares of £0.0001 each	2	2
	<hr/>	<hr/>

On 21 March 2019, the Company granted share options to certain employees. These options were exercised on 27 March 2019, 600 shares with a nominal value of £0.0001 were exercised at an exercise price of £13 in total and resulted in a share-based payment charge of £123,786 for the year.

Ordinary share rights

All shares are non-redeemable and rank equally in terms of voting rights, rights to participate in all approved dividend distributions and rights to participate in any capital distribution on winding up.

Swift Electrical Wholesalers (S-O-T) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

19 COMMITMENTS

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2020			2019		
	Land and buildings £	Other £	Total £	Land and buildings £	Other £	Total £
<i>Amounts due:</i>						
Within one year	176,208	96,449	272,657	176,208	69,535	245,743
Between two and five years	190,892	180,856	371,748	367,100	89,727	456,827
	<u>367,100</u>	<u>277,305</u>	<u>644,405</u>	<u>543,308</u>	<u>159,262</u>	<u>702,570</u>

20 CAPITAL COMMITMENTS

At 31 December 2020 the Company had committed to the purchase of £189,822 of assets (2019: £nil).

21 RELATED PARTY TRANSACTIONS

At 31 December 2020 £1,037 (2019: £4,298) was due from Mr CD Honer in relation to expenses. Transactions in the year related to business expenses. The maximum balance owed to him during the year was £6,057 (2019: £5,481).

22 ULTIMATE CONTROLLING PARTY

During the year, the Company was under the ultimate control of CD Honer.

Honer Holdings Limited, a Company incorporated in the United Kingdom, is the immediate parent and is the smallest and largest group for which consolidated accounts are prepared. The consolidated accounts of Honer Holdings Limited are available from Companies House, Crown Way, Cardiff, CF14 3UZ.