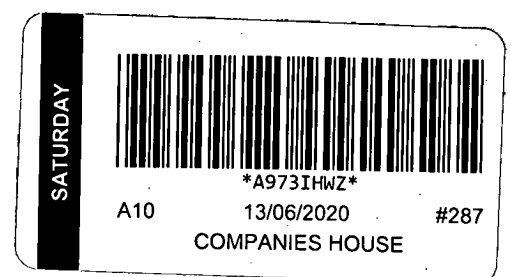


Nu-Swift (Engineering) Limited

Annual Report and financial statements

for the year to 31 December 2019

Registration number: 02916187



Nu-Swift (Engineering) Limited

Annual Report and financial statements for the year ended 31 December 2019

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Nu-Swift (Engineering) Limited

Directors and advisers

Executive directors

R J Pollard
T Langdale

Company secretary

R Pollard

Independent auditor

Grant Thornton UK LLP
No 1 Whitehall Riverside
Leeds
LS1 4BN

Registered office

Premier House
2 Jubilee Way
Elland
West Yorkshire
HX5 9DY

Nu-Swift (Engineering) Limited

Directors' report for the year ended 31 December 2019

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2019.

Principal activities

The principal activities of the company during the year were the manufacture and distribution of fire protection and safety equipment.

Review of business and results

The profit and loss account for the year is set out on page 7.

The company continued to trade profitably and the company's commitment to quality products and service will continue in 2020. Both the level of business during the year and the year end financial position were considered to be satisfactory.

Going concern

It is clear that the Covid-19 pandemic will have a significant impact on the business. When the pandemic first appeared in China, the initial threat was to our supply chain. It is now very clear that the risk to customer demand is by far our greatest challenge and we are prepared for a significant downturn in sales for the duration of the pandemic.

Many of the components which we are reliant on are sourced from China and we have therefore suffered some delays in the delivery of such components in the first quarter. The Chinese government's response to the outbreak has meant that capacity returned over the course of February and into March.

With a return to relative normality on the supply side, we are now focused on customer demand. The government has responded to the pandemic by applying severe restrictions on movement and introducing social distancing measures which have forced many of our customers to temporarily close. We have prepared the business for varying levels of sales declines by temporarily reducing staff levels using the furlough scheme. Where customers still want work carrying out and we are able to work within government guidelines, we are continuing to provide our usual levels of service.

The directors have modelled the effects of this sales decline along with all the measures we can take to ensure that the Company remains within its cash and bank facilities. Although the company has net current liabilities of £1,544,989 (2018: £1,561,086), the company operates as part of a group banking arrangement and has assessed the ability, of the parent company to provide support if necessary and confirmed that this is available. Accordingly, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and are satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements.

Dividends

No dividends were paid during the year (2018: £nil).

Directors

The directors who served during the year and up to the date of signing the financial statements were as follows:

| | |
|--------------|--------------------------|
| D Birtwistle | Resigned 15 January 2019 |
| R J Pollard | |
| T Langdale | |

Nu-Swift (Engineering) Limited

Directors' report for the year ended 31 December 2019 (continued)

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and 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 UK 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.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors 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 the company's auditor is aware of that information.


Small companies

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Independent Auditor

The company has passed an elective resolution under Section 487(2) of the Companies Act 2006 to dispense with the requirement to reappoint auditors annually. Grant Thornton UK LLP were appointed as auditor.

Signed on behalf of the Board



R. J. Pollard
Director
29 May 2020

Nu-Swift (Engineering) Limited

Independent auditor's report to the members of Nu-Swift (Engineering) Limited

Opinion

We have audited the financial statements of Nu-Swift (Engineering) Limited (the 'company') for the year ended 31 December 2019, which comprise the profit and loss account, statement of comprehensive income, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Nu-Swift (Engineering) Limited

Independent auditor's report to the members of Nu-Swift (Engineering) Limited

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
the directors' report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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 directors' report.

Matters on which we are required to report by exception

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and from the requirement to prepare a strategic report.

Nu-Swift (Engineering) Limited

Independent auditor's report to the members of Nu-Swift (Engineering) Limited

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, set out on page 3, 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.

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 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.



Mark Overfield BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds
29 May 2020

Nu-Swift (Engineering) Limited

Profit and loss account for the year ended 31 December 2019

| | Note | 2019 £ | 2018 £ |
|--|------|--------------------|-------------|
| Turnover | 1 | 3,585,202 | 3,491,015 |
| Cost of sales | | (3,351,790) | (3,130,134) |
| Gross profit | | 233,412 | 360,881 |
| Distribution costs | | (33,266) | (30,330) |
| Administrative expenses | | (184,004) | (236,896) |
| Operating profit | 2 | 16,142 | 93,655 |
| Interest receivable and similar income | 3 | 25,300 | 23,320 |
| Profit before taxation | | 41,442 | 116,975 |
| Tax on profit | 6 | (11,739) | (20,301) |
| Profit for the financial year | | 29,703 | 96,674 |

All amounts relate to continuing operations.

Statement of comprehensive income for the year ended 31 December 2019

| | 2019 £ | 2018 £ |
|--|-----------------|-----------|
| Profit for the financial year | 29,703 | 96,674 |
| Other comprehensive income: | | |
| Remeasurement of the defined benefit pension asset | 91,080 | 3,520 |
| Movement on deferred tax on defined benefit pension asset | (31,878) | (1,232) |
| Other comprehensive income for the year, net of income tax | 59,202 | 2,288 |
| Total comprehensive income for the year | 88,905 | 98,962 |

The accounting policies and notes pages 10 to 21 form an integral part of these financial statements.

Nu-Swift (Engineering) Limited

Balance sheet as at 31 December 2019

| | Note | 2019 £ | 2018 £ |
|---|------|--------------------|-------------|
| Non current assets | | | |
| Tangible assets | 7 | 178,956 | 180,252 |
| Pension surplus | 13 | 1,091,860 | 975,480 |
| | | 1,270,816 | 1,155,732 |
| Current assets | | | |
| Stocks | 8 | 1,800,824 | 1,626,988 |
| Debtors | 9 | 399,256 | 338,811 |
| Cash at bank and in hand | | - | - |
| | | 2,200,080 | 1,965,799 |
| Creditors: amounts falling due within one year | 10 | (3,745,069) | (3,526,885) |
| Net current liabilities | | (1,544,989) | (1,561,086) |
| Total assets less current liabilities | | (274,173) | (405,354) |
| Provisions for liabilities | 11 | (405,130) | (362,854) |
| Net liabilities | | (679,303) | (768,208) |
| Capital and reserves | | | |
| Called up share capital | 12 | 2 | 2 |
| Profit and loss account | | (679,305) | (768,210) |
| Total shareholders' deficit | | (679,303) | (768,208) |

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

The financial statements on pages 7 to 21 were approved by the board of directors on 29 May 2020 and were signed on its behalf by:

R J Pollard
Director
 29 May 2020



Registered number: 02916187

The accounting policies and notes pages 10 to 21 form an integral part of these financial statements.

Nu-Swift (Engineering) Limited

Statement of Changes in Equity for the year ended 31 December 2019

| | Called up Share Capital £ | Profit and loss account £ | Total Shareholders' Deficit £ |
|--|------------------------------------|------------------------------------|--|
| Balance at 1 January 2018 | 2 | (867,172) | (867,170) |
| Profit for the financial year | - | 96,674 | 96,674 |
| Other comprehensive income | - | 2,288 | 2,288 |
| Total comprehensive income for the year | - | 98,962 | 98,962 |
| Balance at 31 December 2018 | 2 | (768,210) | (768,208) |
| Total comprehensive income for the year | | | |
| Profit for the financial year | - | 29,703 | 29,703 |
| Other comprehensive income | - | 59,202 | 2,288 |
| Total comprehensive income for the year | - | 88,905 | 88,905 |
| Balance at 31 December 2019 | 2 | (679,305) | (679,303) |

The accounting policies and notes pages 10 to 21 form an integral part of these financial statements.

Nu-Swift (Engineering) Limited

Accounting policies

Basis of accounting

The Company is exempt by virtue of s400 subject to the small companies' regime of the Companies Act 2006 from the requirement to prepare consolidated financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Nu-Swift (Engineering) Limited is incorporated in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. In the transition to FRS 102 from UK GAAP, the Company has made measurement and recognition adjustments. An explanation of how the transition to FRS 102 has affected the financial position and financial performance of the Company is provided in the notes below.

The Company's parent undertaking, London Security plc includes the Company in its consolidated financial statements. The consolidated financial statements of London Security plc are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from Premier House, 2 Jubilee Way, Elland, West Yorkshire HX5 9DY. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes;
- Requirements under Section 11 – basic financial instruments; and
- Key Management Personnel compensation.

The financial statements are prepared on the historical cost basis.

Going Concern

The impact of the Covid-19 pandemic is discussed in the director's report. The directors have modelled the effects of this sales decline along with all the measures we can take to ensure that the Company remains within its cash and bank facilities. The company operates as part of a group banking arrangement and the directors have assessed the ability of the parent company to provide support if necessary and confirmed that this is available. Accordingly, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and are satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Turnover

Turnover represents amounts invoiced, net of returns, discounts and value added tax.

The company derives its Turnover from three major sources - outright sale of fire-fighting equipment, servicing of this equipment, and providing fire-fighting equipment under rental contracts. The Turnover recognition policies for each of these sources is as follows:

- Turnover from the outright sale of equipment is recognised upon delivery to a customer;
- Turnover from the servicing of equipment is recognised when the service has been performed; and
- Turnover from the equipment leased to customers under an operating lease is recognised over the term of the lease on a pro-rata basis.

Nu-Swift (Engineering) Limited

Accounting policies (continued)

Tangible fixed assets and depreciation

The cost of tangible fixed assets is their purchase cost or internal production cost, together with any incremental costs of acquisition.

Tangible fixed assets and depreciation (continued)

Depreciation is calculated on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less their estimated residual values, over the estimated useful lives of the assets concerned. The principal annual rates are as follows:

Straight line method:

| | |
|-----------------------|-----|
| Motor vehicles | 20% |
| Fixtures and fittings | 25% |

Reducing balance method:

| | |
|---------------------|-----|
| Plant and equipment | 15% |
|---------------------|-----|

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is calculated on a first in first out basis. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Basic financial instruments

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at cost, less any impairment losses in the case of trade debtors.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Nu-Swift (Engineering) Limited

Accounting policies (continued)

Pension surplus

The group operates two multi-employer pension schemes in which the company participates. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Company has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The surplus recognised in the Balance Sheet in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs.

The defined benefit obligation is calculated triennially by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

The interest cost and the expected return on the assets are shown net within interest receivable within the Profit and Loss Account. Actuarial gains and losses are recognised immediately in the Statement of Other Comprehensive Income. The defined benefit pension scheme surplus is presented separately on the Balance Sheet within fixed assets before tax relief. The attributable deferred tax liability is included within deferred tax and is subject to the recognition criteria as set out in the accounting policy on taxation.

For defined contribution plans, the Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due.

Critical accounting judgements and key sources of estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Critical Estimates

Pension scheme assumptions and mortality tables

The carrying value of the defined benefit pension scheme is valued using actuarial valuations. These valuations are based on assumptions including the selection of the most appropriate mortality table for the profile of the members in the scheme and the financial assumptions concerning discount rates and inflation. All these are estimates of future events and are therefore uncertain. The choices are based on advice received from the scheme's actuaries which are checked from time to time with benchmark surveys. The effect of varying these assumptions is discussed in the relevant pension note.

Critical judgements

In the course of preparing the financial statements, no judgements have been made in the process of applying the company's accounting policies other than those involving estimation that had a significant effect on the amounts recognised in the financial statements.

Nu-Swift (Engineering) Limited

Notes to the financial statements for the year ended 31 December 2019

1 Turnover

The turnover consists entirely of sales made in the United Kingdom (2018: same)

2 Operating profit

| | 2019 £ | 2018 £ |
|--|-----------|-----------|
| Operating profit is stated after charging/(crediting): | | |
| Depreciation charge for the year – owned tangible fixed assets | 29,416 | 28,315 |
| Profit on sale of fixed assets | (888) | - |
| Auditor's remuneration for audit services | 8,000 | 7,931 |

3 Interest receivable and similar income

| | 2019 £ | 2018 £ |
|--|-----------|-----------|
| Net interest income on defined benefit plan assets | 25,300 | 23,320 |
| Total interest receivable and similar income | 25,300 | 23,320 |

4 Directors' emoluments

| | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Aggregate emoluments | 71,968 | 74,694 |
| Pension contributions to money purchase schemes | 1,756 | 5,026 |
| | 73,724 | 79,720 |

One director is remunerated through the company. The other director is remunerated by other group companies.

Nu-Swift (Engineering) Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

5 Employee information

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

| | 2019 Number | 2018 Number |
|---------------------|----------------|----------------|
| By activity: | | |
| Production | 26 | 24 |
| Administration | 3 | 3 |
| | 29 | 27 |

| | 2019 £ | 2018 £ |
|-------------------------------|----------------|----------------|
| Wages and salaries | 666,113 | 615,362 |
| Social security costs | 51,902 | 50,890 |
| Other pension costs (note 13) | 30,990 | 21,698 |
| | 749,005 | 687,950 |

6 Tax on profit

(a) Analysis of tax charge in the year

| | 2019 £ | 2018 £ |
|--|---------------|-----------|
| Current tax charge | 1,341 | 21,416 |
| Deferred tax (credit)/charge in respect of capital allowances | 1,544 | (2,423) |
| Deferred tax charge in respect of pension surplus | 40,732 | 2,540 |
| Movement on deferred tax in respect of pension surplus recognised in statement of comprehensive income | (31,878) | (1,232) |
| Total tax on profit | 11,739 | 20,301 |

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences will reverse, based on tax rates and laws substantively enacted at the Balance Sheet date, being a rate of 17% at 31 December 2019. Deferred tax has been provided at 35% for items related to the pension surplus.

Nu-Swift (Engineering) Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

6 Tax on profit (continued)

(b) Factors affecting tax charge for the year

The total tax charge for the year is lower (2018: higher) than the charge calculated at the standard rate of corporation tax in the United Kingdom of 19.00% (2018: 19.00%). The differences are explained below:

| | 2019 £ | 2018 £ |
|--|----------------|-----------|
| Profit before taxation | 41,442 | 116,975 |
| Profit multiplied by standard rate of corporation tax in the United Kingdom of 19.00% (2018: 19.00%) | 7,874 | 22,225 |
| Effects of: | | |
| Income not taxable | (4,807) | - |
| Higher deferred tax rate on pension surplus | 4,048 | 598 |
| Capital allowances more than depreciation | 4,624 | (2,522) |
| Total tax charge | 11,739 | 20,301 |

Nu-Swift (Engineering) Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

7 Tangible assets

| | Plant and equipment £ | Motor Vehicles £ | Fixtures, and fittings £ | Total £ |
|---------------------------------|-----------------------------|------------------------|-----------------------------------|----------------|
| Cost or valuation | | | | |
| At 1 January 2019 | 421,352 | 4,833 | 11,196 | 437,381 |
| Additions | 27,671 | - | 1,337 | 29,008 |
| Disposals | (9,268) | - | - | (9,268) |
| At 31 December 2019 | 439,755 | 4,833 | 12,533 | 457,121 |
| Accumulated depreciation | | | | |
| At 1 January 2019 | 244,829 | 2,667 | 9,633 | 257,129 |
| Charge for the year | 26,639 | 2,000 | 777 | 29,416 |
| Disposals | (8,380) | - | - | (8,380) |
| At 31 December 2019 | 263,088 | 4,667 | 10,410 | 278,164 |
| Net book value | | | | |
| At 31 December 2019 | 176,667 | 167 | 2,123 | 178,956 |
| At 31 December 2018 | 176,523 | 2,166 | 1,563 | 180,252 |

8 Stocks

| | 2019 £ | 2018 £ |
|-------------------------------------|------------------|-----------|
| Raw materials and consumables | 1,308,179 | 1,112,857 |
| Work in progress | 20,645 | - |
| Finished goods and goods for resale | 472,000 | 514,131 |
| | 1,800,824 | 1,626,988 |

Nu-Swift (Engineering) Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

9 Debtors

| | 2019 £ | 2018 £ |
|------------------------------------|----------------|----------------|
| Trade debtors | 41,640 | 31,553 |
| Amounts owed by group undertakings | 272,949 | 184,059 |
| Other debtors | 10,711 | 59,517 |
| Prepayments and accrued income | 73,956 | 63,682 |
| | 399,256 | 338,811 |

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment and are repayable on demand.

10 Creditors: amounts falling due within one year

| | 2019 £ | 2018 £ |
|------------------------------------|------------------|------------------|
| Trade creditors | 39,716 | 36,082 |
| Bank overdraft | 350,388 | 18,504 |
| Amounts owed to group undertakings | 3,312,920 | 3,412,133 |
| Corporation tax payable | 1,341 | 21,416 |
| Other taxation and social security | 14,794 | 13,704 |
| Accruals and deferred income | 25,911 | 25,046 |
| | 3,745,069 | 3,526,885 |

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

11 Provisions for liabilities

| | Deferred tax on Capital Allowances £ | Deferred tax on Pension Scheme Surplus £ | Deferred tax liability £ |
|-----------------------------------|---|--|--------------------------------|
| At 1 January 2019 | 20,840 | 342,014 | 362,854 |
| Charge to profit and loss account | 1,544 | 40,732 | 42,276 |
| At 31 December 2019 | 22,384 | 382,746 | 405,130 |

The deferred tax liability recognised in connection with the pension scheme surplus and discussed in more detail below in the note on pension obligations.

It is not anticipated that any of the deferred tax liability in respect of the pension surplus will reverse in the 12 months following the balance sheet date. While it is anticipated that an element of the deferred tax liability in respect of capital allowances will reverse during the 12 months following the balance sheet date, any such reversal is not expected to be material.

Nu-Swift (Engineering) Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

12 Called up share capital

| | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Authorised, allotted, called up and fully paid | | |
| 2 (2018: 2) ordinary shares of £1 each | 2 | 2 |

13 Pension surplus

Nu-Swift International Pension Scheme

Nu-Swift International Limited operates a multi-employer funded defined benefit pension scheme in which the company participates. This was closed to new entrants with effect from 1 December 2002 and to further accrual on 30 June 2007, providing benefits based on final pensionable earnings. The assets of the scheme are held separately from those of the Group, being invested with Legal and General Investment Management. The total pension cost of the Group is determined by an independent qualified actuary on the basis of triennial valuations using the projected unit method. The most recent actuarial valuation as at 31 December 2018 showed that the market value of the scheme's assets was £17,909,000 and that the actuarial value of those assets represented 118% of the benefits that had accrued to members. The results of the 2018 valuation have been projected to 31 December 2019 and then recalculated using the assumptions set out below which result in a net surplus position of £4,959,000 (2018: £4,430,00). The scheme's assets are stated at their market value at 31 December 2019.

At 31 December 2019 the scheme had a net defined benefit surplus, calculated using the assumptions set out of £4,959,000 (2018: net defined benefit surplus of £4,430,000). The surplus is recognised as it is confirmed that the Group does have an unconditional right to a refund of surplus contributions once all pensions have been applied and the scheme winds up. On this basis no liability for minimum funding requirements has been recognised.

Within the company's individual financial statements, Nu-Swift (Engineering) Limited has recognised the proportion of the group's net defined surplus estimated to relate to employees of the company. The estimate is based on past contributions. As such, a net defined benefit surplus of £1,091,860 (2017: £975,480) has been recognised in the Balance Sheet of the company.

The Group paid no contributions to the scheme (2018: £Nil) over the year. No further contributions were payable with effect from 1 May 2015. These payments had been in respect of the recovery plan put in place following the completion of the 2011 valuation.

The financial assumptions used to calculate the liabilities of the scheme under FRS 102 are:

| | 2019 | 2018 | 2017 |
|-----------------------------------|------------|------------|------------|
| Discount rate | 1.80% | 2.60% | 2.40% |
| Inflation rate | 2.30-3.20% | 2.50-3.50% | 2.40-3.40% |
| Salary increase rate | Nil | Nil | Nil |
| Increases for pensions in payment | 3.10% | 3.40% | 3.30% |
| Revaluation of deferred pensions | 2.30% | 2.50% | 2.40% |

Nu-Swift (Engineering) Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

13 Pension surplus (continued)

Assumptions regarding future mortality experience are set based on advice, published statistics and experience in each territory. The average life expectancy in years of a pensioner retiring at age 65 at the Statement of Financial Position date is as follows:

| | 2019 | 2018 |
|--------|------|------|
| Male | 21.3 | 21.8 |
| Female | 23.2 | 23.7 |

The average life expectancy in years of a pensioner retiring at age 65, 20 years after the Statement of Financial Position date, is as follows:

| | 2019 | 2018 |
|--------|------|------|
| Male | 22.3 | 22.8 |
| Female | 24.4 | 24.9 |

The assets in the scheme were:

| | Value at 31 December 2019 £'000 | Percentage of scheme assets 2019 | Value at 31 December 2018 £'000 | Percentage of scheme assets 2018 |
|--|--|---|--|---|
| Equities | - | -% | - | -% |
| Bonds | 15,957 | 87.0% | 14,510 | 84.3% |
| Cash/(overdraft) | 2,385 | 13.0% | 2,693 | 15.7% |
| | 18,342 | | 17,203 | |
| Present value of the scheme's liabilities | (13,383) | | (12,773) | |
| Surplus in the Nu-Swift Scheme recognised in the Statement of Financial Position | 4,959 | | 4,430 | |
| Related deferred tax liability | (1,737) | | (1,552) | |

Analysis of the amount recognised in the Income Statement

| | 2019 £'000 | 2018 £'000 |
|------------------------|---------------|---------------|
| Past service charge | - | 89 |
| Interest credit | (115) | (106) |
| Total operating credit | (115) | (17) |

Movement in the defined benefit obligation over the year

| | 2019 £'000 | 2018 £'000 |
|--|---------------|---------------|
| Start of the year | (12,773) | (13,477) |
| Past service charge | - | (89) |
| Interest cost | (325) | (316) |
| Actuarial loss arising from changes in financial assumptions | (1,230) | 415 |
| Actuarial gain arising from changes in demographic assumptions | 367 | 95 |
| Benefits paid | 578 | 599 |
| End of the year | (13,383) | (12,773) |

Nu-Swift (Engineering) Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

13 Pension obligations (continued)

Movement in the fair value of the plan assets over the year

| | 2019 £'000 | 2018 £'000 |
|--|---------------|---------------|
| Start of the year | 17,203 | 17,874 |
| Interest income | 440 | 422 |
| Return on assets (excluding amount included in net interest expense) | 1,277 | (494) |
| Benefits paid | (578) | (599) |
| End of the year | 18,342 | 17,203 |

Analysis of the amount recognised in the Consolidated Statement of Comprehensive Income

| | 2019 £'000 | 2018 £'000 |
|---|---------------|---------------|
| Actuarial gain/(loss) on defined benefit obligation | (863) | 510 |
| Actual return less expected return on pension scheme assets | 1,277 | (494) |
| Gain recognised in the Consolidated Statement of Comprehensive Income | 414 | 16 |

Sensitivity of the liability value to changes in the principal assumptions

Prior to the effect of deferred tax, the impact of a 0.1% decrease in the inflation rate would be to increase the pension surplus by £47,000 (2018: £45,000); an increase of 0.1% in the inflation rate would decrease the surplus by £48,000 (2018: £41,000). The impact of a 0.1% increase in the discount rate would be to increase the pension surplus by £171,000 (2018: £162,000); a decrease of 0.1% in the discount rate would decrease the surplus by £174,000 (2018: £165,000).

14 Commitments and contingent liabilities

At the year end the company had guaranteed group borrowings under a cross guarantee of £7.2 million (2018: £9.6 million).

15 Parent undertakings

The immediate parent undertaking is Nu-Swift International Limited. The directors regard EOI Fire S.à.r.l., a company registered in Luxembourg, as the ultimate parent undertaking.

The largest and smallest group in which the results of the company are consolidated is the London Security Plc group, a company quoted on the Alternative Investment Market. Copies of the London Security Plc consolidated financial statements may be obtained from the Company Secretary at Premier House, Jubilee Way, Elland, West Yorkshire, HX5 9DY.

The directors regard Eden and Arianne Trust as the ultimate controlling party through its controlling interest in EOI Fire S.à.r.l.

16 Related party transactions

The company has taken advantage of the exemption available under FRS 102 1.12(d) 'Related party disclosures' from disclosing transactions with related parties within the London Security plc group.

Nu-Swift (Engineering) Limited

17 Post balance sheet events

Since 31 December 2019, the spread of Covid-19 has severely impacted many local economies around the globe with many businesses being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening.

The company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 December 2019 have not been adjusted to reflect their impact.

While there has been a general slow down in collection of trade receivables, the company has not experienced any significant customer bad debts since the pandemic was declared.

The company operates a defined benefit pension scheme as disclosed in note 13 to the financial statements. The pension scheme assets do not include investments in equities and therefore the directors have concluded that the impact of declining stock markets does not have a significant impact on the valuation of the assets at the date of this report. The directors have reviewed the carrying value of the tangible assets recognised in the statement of financial position and the investment in subsidiaries and concluded that they remain appropriate.