

Registered number: 06863317

SWIFT INDUSTRIAL SUPPLIES LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



SWIFT INDUSTRIAL SUPPLIES LTD

COMPANY INFORMATION

Directors	V M James P D James A R James
Company secretary	A R James
Registered number	06863317
Registered office	Venture Park Selborne Road Alton Hampshire GU34 3HL
Independent auditors	Wise & Co Chartered Accountants & Statutory Auditors Wey Court West Union Road Farnham Surrey GU9 7PT

SWIFT INDUSTRIAL SUPPLIES LTD

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditors' Report	5 - 8
Statement of Comprehensive Income	9
Statement of Financial Position	10 - 11
Statement of Changes in Equity	12 - 13
Statement of Cash Flows	14 - 15
Analysis of Net Debt	16
Notes to the Financial Statements	17 - 33

SWIFT INDUSTRIAL SUPPLIES LTD

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Introduction

The directors present the strategic report and financial statements for the period ended 31 December 2019.

The strategic report is consistent with the size and non-complex nature of the business and is written in the context of the risks and uncertainties the company faces in the current market.

The company's principal activity during the period continued to be the manufacture and distribution of PPE, Workwear and Safety Products.

Business review

The company has delivered £11,058,175 in revenue in FY 2019, this was up on FY 2018 as a result of continued focus and growth in our core product portfolio, along with the development of our Millstone brand. This coupled with improved product level margin control processes has delivered a significant improvement in earnings vs the prior year. £11,058,175 vs £10,371,344. At the end of FY 2019, management has embarked on a process of reviewing and renewing all key customer contracts, to protect customer loyalty. This has been successful, for mid-size as well as large clients.

At the time of writing Covid has had a significant impact on the global economy. Swift's customer and product portfolio has allowed the business to continue to trade successfully through the crisis and whilst keeping focused on our core, the business has diversified its product range to capitalise on the current high demand for PPE.

The business continues to invest in staff and other resources to ensure continued strong growth and profitability in the future.

Principal risks and uncertainties

The company dedicates resources to manage risk areas in the following categories:

Strategic risk:

The directors and management teams closely monitor performance and, have targeted strategies aligned to the challenging trading conditions. The management consider competitor risk to be low given our current customer base and strategy.

Financial risk:

The main area of financial risk management is exchange rate movements. The company has a balanced approach to managing this risk through the careful use of forward purchases to cover an appropriate percentage of future forex forecast requirements.

Credit Risk:

There is a risk of financial loss to the company arising from the failure of the company's customers to meet their financial obligations for the services provided by the company. The company manages this situation through credit control procedures but nevertheless, we are subject to customer credit risk. The Board are of the view that the risk is at an acceptable level.

Health & safety

The business takes its health and safety responsibilities very seriously. We ensure in all areas that we seek to comply with all relevant legislation and allocate management time to this subject at the highest level on a regular basis.

SWIFT INDUSTRIAL SUPPLIES LTD

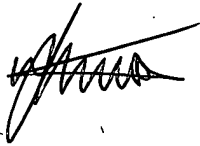
**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Financial key performance indicators

The directors use several performance measures to measure the company's success in meeting its objectives. The key performance indicators are:

- ii. Comparison of Sales vs. Budgets
- ii. Gross Profit Margins
- iii. Operating Profit
- iv. Stock turn
- v. Customer Satisfaction Survey Scores
- vi. Customer churn
- vii. On time deliveries

This report was approved by the board and signed on its behalf.



V M James
Director

Date: 23.12.20

SWIFT INDUSTRIAL SUPPLIES LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

Results and dividends

The profit for the year, after taxation, amounted to £691,780 (2018 - £567,858).

A dividend of £468,000 has been recommended (2018: £381,500).

Directors

The directors who served during the year were:

V M James
P D James
A R James

Future developments

The company continues to explore further opportunities for growth through the introduction of new product ranges, exploration of new market sectors and the development of brands we promote.

SWIFT INDUSTRIAL SUPPLIES LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

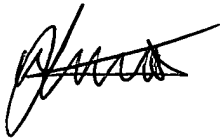
Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Wise & Co, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



V M James
Director

Date: 23.12.20

SWIFT INDUSTRIAL SUPPLIES LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SWIFT INDUSTRIAL SUPPLIES LTD

Opinion

We have audited the financial statements of Swift Industrial Supplies Ltd (the 'Company') for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, 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, except for the possible effect of the matter described in the basis for qualified opinion section of our report, 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 qualified opinion

The Company did not require an audit in the year ended 31 December 2018 and therefore, we did not observe the counting of the stock at the prior year end. We were unable to satisfy ourselves by alternative means concerning the stock quantities held at 31 December 2018 which are included in the comparative balance sheet at £1,877,877, by using other audit procedures. Consequently we were unable to determine whether any adjustment to this amount was necessary or whether there was any consequential effect on the cost of sales for the year ended 31 December 2018. We have been able to observe the counting of the stock of the balance of £1,955,504 through audit procedures at 31 December 2019 and no adjustments were necessary.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

SWIFT INDUSTRIAL SUPPLIES LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SWIFT INDUSTRIAL SUPPLIES LTD (CONTINUED)

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.

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 Auditors' 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.

Opinion 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.

SWIFT INDUSTRIAL SUPPLIES LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SWIFT INDUSTRIAL SUPPLIES LTD (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 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.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 Auditors' Report.

Other matters

The comparative figures presented in these financial statements are not audited.

SWIFT INDUSTRIAL SUPPLIES LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SWIFT INDUSTRIAL SUPPLIES LTD
(CONTINUED)

Use of our report

This report is made solely to the Company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.

S. M. South

Stephen South (FCA) (Senior Statutory Auditor)
for and on behalf of

Wise & Co

Chartered Accountants & Statutory Auditors

Wey Court West

Union Road

Farnham

Surrey

GU9 7PT

Date: 23.12.2020.

SWIFT INDUSTRIAL SUPPLIES LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	Unaudited 2018 £
Turnover	4	11,058,175	10,371,344
Cost of sales		(7,788,115)	(7,444,123)
Gross profit		3,270,060	2,927,221
Administrative expenses		(2,430,272)	(2,303,942)
Operating profit	5	839,788	623,279
Interest receivable and similar income	8	222	214
Interest payable and expenses	9	(6,660)	(11,352)
Profit before tax		833,350	612,141
Tax on profit	10	(141,570)	(44,283)
Profit for the financial year		691,780	567,858

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 17 to 33 form part of these financial statements.

SWIFT INDUSTRIAL SUPPLIES LTD
REGISTERED NUMBER: 06863317

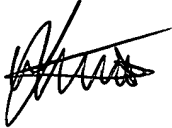
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

			2019 £	Unaudited 2018 £
	Note			
Fixed assets				
Intangible assets	12		493,138	553,461
Tangible assets	13		82,328	108,693
			<u>575,466</u>	<u>662,154</u>
Current assets				
Stocks	14	1,955,505	1,877,878	
Debtors: amounts falling due within one year	15	3,096,652	2,795,792	
Cash at bank and in hand	16	276,296	349,637	
		<u>5,328,453</u>	<u>5,023,307</u>	
Creditors: amounts falling due within one year	17	(1,980,671)	(1,882,462)	
Net current assets			<u>3,347,782</u>	<u>3,140,845</u>
Total assets less current liabilities			<u>3,923,248</u>	<u>3,802,999</u>
Creditors: amounts falling due after more than one year	18		-	(103,531)
Provisions for liabilities				
Deferred tax	22		(25,094)	(25,094)
Net assets			<u><u>3,898,154</u></u>	<u><u>3,674,374</u></u>
Capital and reserves				
Called up share capital	23		250	250
Profit and loss account			3,897,904	3,674,124
			<u><u>3,898,154</u></u>	<u><u>3,674,374</u></u>

SWIFT INDUSTRIAL SUPPLIES LTD
REGISTERED NUMBER: 06863317

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2019

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



V M James
Director

Date: 23.12.20

The notes on pages 17 to 33 form part of these financial statements.

SWIFT INDUSTRIAL SUPPLIES LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2019	250	3,674,124	3,674,374
Comprehensive income for the year			
Profit for the year	-	691,780	691,780
Total comprehensive income for the year	-	691,780	691,780
Dividends: Equity capital	-	(468,000)	(468,000)
Total transactions with owners	-	(468,000)	(468,000)
At 31 December 2019	250	3,897,904	3,898,154

The notes on pages 17 to 33 form part of these financial statements.

SWIFT INDUSTRIAL SUPPLIES LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2018	250	3,487,766	3,488,016
Comprehensive income for the year			
Profit for the year	-	567,858	567,858
Total comprehensive income for the year	-	567,858	567,858
Dividends: Equity capital	-	(381,500)	(381,500)
Total transactions with owners	-	(381,500)	(381,500)
At 31 December 2018	250	3,674,124	3,674,374

The notes on pages 17 to 33 form part of these financial statements.

SWIFT INDUSTRIAL SUPPLIES LTD

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	Unaudited 2018 £
Cash flows from operating activities		
Profit for the financial year	691,780	567,858
Adjustments for:		
Amortisation of intangible assets	188,194	136,450
Depreciation of tangible assets	43,857	128,437
Loss on disposal of tangible assets	26,439	-
Interest paid	6,661	11,352
Interest received	(222)	(214)
Taxation charge	141,570	44,283
(Increase) in stocks	(77,627)	(85,595)
(Increase) in debtors	(236,372)	(164,175)
(Increase) in amounts owed by participating ints	(64,492)	(171,673)
(Decrease)/increase in creditors	(3)	142,671
Increase in amounts owed to participating ints	38,912	290,841
Corporation tax (paid)	(94,484)	(20,000)
Net cash generated from operating activities	664,213	880,235
Cash flows from investing activities		
Purchase of intangible fixed assets	(127,871)	(689,911)
Purchase of tangible fixed assets	(43,931)	-
Interest received	222	214
Net cash from investing activities	(171,580)	(689,697)
Cash flows from financing activities		
New secured loans	-	3,194
Repayment of loans	(65,818)	-
Other new loans	33	102,378
Repayment of/new finance leases	(25,528)	(5,070)
Dividends paid	(468,000)	(381,500)
Interest paid	(6,661)	(11,352)
Net cash used in financing activities	(565,974)	(292,350)
Net (decrease) in cash and cash equivalents	(73,341)	(101,812)
Cash and cash equivalents at beginning of year	349,637	451,449
Cash and cash equivalents at the end of year	276,296	349,637

SWIFT INDUSTRIAL SUPPLIES LTD

**STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	276,296	349,637
	<u>276,296</u>	<u>349,637</u>
	<u><u>276,296</u></u>	<u><u>349,637</u></u>

The notes on pages 17 to 33 form part of these financial statements.

SWIFT INDUSTRIAL SUPPLIES LTD

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	At 1 January 2019 £	Cash flows £	At 31 December 2019 £
Cash at bank and in hand	349,637	(73,341)	276,296
Debt due after 1 year	(100,000)	100,000	-
Debt due within 1 year	(71,885)	(40,634)	(112,519)
Finance leases	(25,528)	25,528	-
	152,224	11,553	163,777

The notes on pages 17 to 33 form part of these financial statements.

SWIFT INDUSTRIAL SUPPLIES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Swift Industrial Supplies Ltd (06863317) is a private company limited by shares and registered in England. Its registered office is Venture Park, Selborne Road, Alton, Hampshire, GU34 3HL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

SWIFT INDUSTRIAL SUPPLIES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

SWIFT INDUSTRIAL SUPPLIES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.9 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Computer software	-	straight line basis from January and August 2018 to March 2022
-------------------	---	--

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as detailed below.

Depreciation is provided on the following basis:

Improvements to leasehold	-	33% straight line
Plant and machinery	-	20% 33% straight line
Motor vehicles	-	25% reducing balance
Office equipment	-	20% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

SWIFT INDUSTRIAL SUPPLIES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.14 Creditors

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

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.16 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

SWIFT INDUSTRIAL SUPPLIES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.16 Financial instruments (continued)

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Tangible fixed assets and intangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing the asset lives, factors such as technological innovation and product life cycles are taken into account. Residual values consider such things as future market conditions, the remaining life of the asset and projected disposal values.

4. Turnover

The whole of the turnover is attributable to the sale of protective clothing and equipment.

Analysis of turnover by country of destination:

	2019 £	Unaudited 2018 £
United Kingdom	10,986,936	8,738,199
Rest of Europe	45,105	29,351
Rest of the world	26,135	1,603,795
	<u>11,058,176</u>	<u>10,371,345</u>

SWIFT INDUSTRIAL SUPPLIES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

5. Operating profit

The operating profit is stated after charging:

	2019	Unaudited 2018
	£	£
Exchange differences	509	(16,359)
Other operating lease rentals	26,826	54,496
	<u>26,826</u>	<u>54,496</u>

6. Auditors' remuneration

	2019	Unaudited 2018
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	18,945	-
	<u>18,945</u>	<u>-</u>

Fees payable to the Company's auditor and its associates in respect of:

Taxation compliance services	1,354	5,063
All other services	536	10,480
	<u>1,890</u>	<u>15,543</u>

SWIFT INDUSTRIAL SUPPLIES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

7. Employees

Staff costs were as follows:

	2019 £	Unaudited 2018 £
Wages and salaries	1,884,778	1,555,779
Social security costs	183,944	167,958
Cost of defined contribution scheme	31,008	28,837
	<u>2,099,730</u>	<u>1,752,574</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	Unaudited 2018 No.
Office	36	35
Production	7	8
Despatch	16	15
	<u>59</u>	<u>58</u>

8. Interest receivable

	2019 £	Unaudited 2018 £
Other interest receivable	222	214
	<u>222</u>	<u>214</u>

SWIFT INDUSTRIAL SUPPLIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Interest payable and similar expenses

	2019	<i>Unaudited</i> 2018
	£	£
Bank interest payable	2,559	8,457
Other loan interest payable	4,101	2,378
Other interest payable	-	517
	6,660	11,352

10. Taxation

	2019	<i>Unaudited</i> 2018
	£	£
Corporation tax		
Current tax on profits for the year	141,570	35,088
	141,570	35,088
Total current tax	141,570	35,088
Deferred tax		
Origination and reversal of timing differences	-	9,195
Total deferred tax	-	9,195
Taxation on profit on ordinary activities	141,570	44,283

SWIFT INDUSTRIAL SUPPLIES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	Unaudited 2018 £
Profit on ordinary activities before tax	833,349	612,141
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	158,336	116,307
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(16,766)	220
Capital allowances for year in excess of depreciation	-	(9,667)
Short term timing difference leading to an increase (decrease) in taxation	-	9,195
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	-	(71,812)
Other differences leading to an increase (decrease) in the tax charge	-	40
Total tax charge for the year	141,570	44,283

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Dividends

	2019 £	Unaudited 2018 £
Dividends	468,000	381,500
	468,000	381,500

SWIFT INDUSTRIAL SUPPLIES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

12. Intangible assets

	Computer software £
Cost	
At 1 January 2019	689,911
Additions	127,871
	<hr/>
At 31 December 2019	817,782
	<hr/>
Amortisation	
At 1 January 2019	136,450
Charge for the year on owned assets	188,194
	<hr/>
At 31 December 2019	324,644
	<hr/>
Net book value	
At 31 December 2019	493,138
	<hr/> <hr/>
At 31 December 2018	553,461
	<hr/> <hr/>

SWIFT INDUSTRIAL SUPPLIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost or valuation					
At 1 January 2019	426,152	266,532	125,730	208,437	1,026,851
Additions	-	9,560	-	34,371	43,931
Disposals	-	-	(102,615)	-	(102,615)
At 31 December 2019	<u>426,152</u>	<u>276,092</u>	<u>23,115</u>	<u>242,808</u>	<u>968,167</u>
Depreciation					
At 1 January 2019	400,411	264,087	79,912	173,748	918,158
Charge for the year on owned assets	14,806	3,837	11,455	13,759	43,857
Disposals	-	-	(76,176)	-	(76,176)
At 31 December 2019	<u>415,217</u>	<u>267,924</u>	<u>15,191</u>	<u>187,507</u>	<u>885,839</u>
Net book value					
At 31 December 2019	<u>10,935</u>	<u>8,168</u>	<u>7,924</u>	<u>55,301</u>	<u>82,328</u>
At 31 December 2018	<u>25,741</u>	<u>2,445</u>	<u>45,818</u>	<u>34,689</u>	<u>108,693</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019 £	Unaudited 2018 £
Motor vehicles	-	12,235
	<u>-</u>	<u>12,235</u>

SWIFT INDUSTRIAL SUPPLIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Stocks

	2019	<i>Unaudited</i>
	£	2018
		£
Finished goods and goods for resale	1,955,505	1,877,878
	1,955,505	1,877,878

15. Debtors

	2019	<i>Unaudited</i>
	£	2018
		£
Trade debtors	2,025,434	1,817,638
Amounts owed by participating interests	1,001,135	936,643
Other debtors	1,427	-
Prepayments and accrued income	68,656	41,511
	3,096,652	2,795,792

16. Cash and cash equivalents

	2019	<i>Unaudited</i>
	£	2018
		£
Cash at bank and in hand	276,296	349,637
	276,296	349,637

SWIFT INDUSTRIAL SUPPLIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

17. Creditors: Amounts falling due within one year

	2019	<i>Unaudited</i>
	£	2018
		£
Bank loans	-	65,818
Other loans	102,411	2,378
Trade creditors	1,049,564	998,388
Amounts owed to participating interests	329,753	290,841
Corporation tax	141,617	94,531
Other taxation and social security	119,075	189,303
Obligations under finance lease and hire purchase contracts	-	21,997
Other creditors	10,108	3,689
Accruals and deferred income	228,143	215,517
	<u>1,980,671</u>	<u>1,882,462</u>

18. Creditors: Amounts falling due after more than one year

	2019	<i>Unaudited</i>
	£	2018
		£
Other loans	-	100,000
Net obligations under finance leases and hire purchase contracts	-	3,531
	<u>-</u>	<u>103,531</u>

SWIFT INDUSTRIAL SUPPLIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

19. Loans

Analysis of the maturity of loans is given below:

	2019 £	Unaudited 2018 £
Amounts falling due within one year		
Bank loans	-	65,818
Other loans	102,411	2,378
Amounts falling due after more than 5 years		
Other loans	-	100,000
	<u>102,411</u>	<u>168,196</u>

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2019 £	Unaudited 2018 £
Within one year	-	16,926
Between 1-5 years	-	13,672
	<u>-</u>	<u>30,598</u>

21. Financial instruments

	2019 £	Unaudited 2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>276,296</u>	<u>349,637</u>

Financial assets measured at amortised cost comprise trade debtors, amounts owed by participating interests and prepayments and accrued income.

Financial liabilities measured at amortised comprise, other loans, trade creditors, other creditors, amounts owed to participating interests and accruals.

SWIFT INDUSTRIAL SUPPLIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

22. Deferred taxation

	2019	<i>Unaudited</i> 2018
	£	£
At beginning of year	(25,094)	(15,899)
Charged to other comprehensive income	-	(9,195)
At end of year	(25,094)	(25,094)

The provision for deferred taxation is made up as follows:

	2019	<i>Unaudited</i> 2018
	£	£
Accelerated capital allowances	(25,094)	(25,703)
Short term timing differences	-	609
	(25,094)	(25,094)

23. Share capital

	2019	<i>Unaudited</i> 2018
	£	£
Allotted, called up and fully paid		
250 (2018 - 250) Ordinary shares of £1.00 each	250	250

24. Pension commitments

The Company operates a defined contributions (money purchase) pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £31,008 (2018: £28,745). Contributions totalling £8,507 (2018: £3,304) were payable to the fund at the reporting date and are included in creditors.

SWIFT INDUSTRIAL SUPPLIES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

25. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2019 £	Unaudited 2018 £
Not later than 1 year	41,190	38,194
Later than 1 year and not later than 5 years	17,201	58,208
	<u>58,391</u>	<u>96,402</u>

26. Forward foreign exchange contracts

As at the year end the company agreed to purchase 350,000 US Dollars (2018: 200,000 US Dollars) at agreed rates post year end. The fair value of these contracts at the year end is not materially different compared to the value of the forward exchange at the contract end date.

SWIFT INDUSTRIAL SUPPLIES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

27. Related party transactions

Traffisafe Ltd is owned by Traffisafe Holding Company Limited, which is controlled by A R James and V M James. At the year end, Traffisafe Ltd owed Swift Industrial Supplies Ltd £682,716 (2018: £831,399). During the year, sales of £384,194 (2018: £382,074) were made to Traffisafe Ltd and purchases of £174,547 (2018: £389,898) were made from Traffisafe Ltd. These transactions were made during the normal course of business.

Tridex Global Limited is owned by Centra Support Services Holding Company Limited, which is controlled by A R James and V M James. At the year end, Swift Industrial Supplies Ltd owed Tridex Global Limited £118,611 (2018: £96,919).

Unisan Europe Holding Company Limited is controlled by A R James and V M James. At the year end Unisan Europe Holding Company Limited owed Swift Industrial Supplies Ltd £301,506 (2018: £Nil).

Unisan SRL is owned by Unisan Europe Holding Company Limited, which is controlled by A R James and V M James. At the year end, Unisan SRL owed Swift Industrial Supplies Ltd £16,913 (2018: £105,244). During the year, sales of £Nil (2018: £4,712) were made to Unisan SRL. These transactions were made during the normal course of business.

Centra Support Services Holding Company Limited is controlled by A R James and V M James. At the year end, Swift Industrial Supplies Ltd owed Centra Support Services Holding Company Limited £46,478 (2018: 46,478).

Centra Support Services Limited is owned by Centra Support Services Holding Company Limited, which is controlled by A R James and V M James. At the year end, Swift Industrial Supplies Ltd owed Centra Support Services Limited £56,490 (2018: £37,613).

Traffisafe Corporation is controlled by A R James. At the year end, Swift Industrial Supplies Ltd owed Traffisafe Corporation £108,174 (2018: £109,830).

Swift Industrial Supplies Ltd is owned by Swift Industrial Holding Company Limited. During the year, dividends of £468,000 (2018: £381,500) were paid to the parent company.

28. Controlling party

The controlling party is Swift Industrial Holding Company Limited.