

SWIFT INDUSTRIAL SUPPLIES LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Introduction

The directors present the strategic report and financial statements for the period ended 31 December 2020.

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 market faces.

The company's principal activity during the period continued to be the manufacture and distribution of protective clothing.

Business review

The company has delivered £13,219,432 in revenue in FY 2020, this was up on FY 2019 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. £13,219,432 vs £11,058,175. At the end of FY 2020, management has embarked on a process of reviewing and renewing all key customer contracts, specifically with those customers in the Gold and Platinum banding, this process will be completed by the end of FY 2020/21.

Covid-19 has continued to have 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 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 2020**

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:

- i. Gross Profit Margins
- ii. Operating Profit
- iii. Headcount
- iv. Customer Satisfaction Survey Scores
- v. Customer churn
- vi. On time deliveries

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

V M James

Director

Date: 11 October 2021

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report and the financial statements for the year ended 31 December 2020.

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 £1,040,784 (2019 - £691,780).

A dividend of £286,000 has been recommended (2019: £468,000).

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 2020**

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

Under section 487(2) of the Companies Act 2006, Wise & Co will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

V M James

Director

Date: 11 October 2021

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 2020, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, the Statement of Cash Flows 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 2020 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

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.

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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.

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 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.

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to , the Companies Act 2006 and UK tax legislation.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel . There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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.

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, 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 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, as a body, for our audit work, for this report, or for the opinions we have formed.

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

12 October 2021

SWIFT INDUSTRIAL SUPPLIES LTD

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover	4	13,219,432	11,058,175
Cost of sales		(9,175,469)	(7,788,115)
Gross profit		4,043,963	3,270,060
Administrative expenses		(2,753,662)	(2,430,272)
Operating profit	5	1,290,301	839,788
Interest receivable and similar income	8	642	222
Interest payable and similar expenses	9	(2,109)	(6,660)
Profit before tax		1,288,834	833,350
Tax on profit	10	(248,050)	(141,570)
Profit after tax		1,040,784	691,780
Retained earnings at the beginning of the year		3,897,904	3,674,124
		3,897,904	3,674,124
Profit for the year		1,040,784	691,780
Dividends declared and paid		(286,000)	(468,000)
Retained earnings at the end of the year		4,652,688	3,897,904

The notes on pages 15 to 29 form part of these financial statements.

SWIFT INDUSTRIAL SUPPLIES LTD
REGISTERED NUMBER: 06863317

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	12	290,099	493,138
Tangible assets	13	122,455	82,328
		<u>412,554</u>	<u>575,466</u>
Current assets			
Stocks	14	1,988,431	1,955,504
Debtors: amounts falling due within one year	15	2,814,946	3,096,653
Cash at bank and in hand	16	2,888,584	276,296
		<u>7,691,961</u>	<u>5,328,453</u>
Creditors: amounts falling due within one year	17	(3,393,855)	(1,980,671)
Net current assets		<u>4,298,106</u>	<u>3,347,782</u>
Total assets less current liabilities		<u>4,710,660</u>	<u>3,923,248</u>
Creditors: amounts falling due after more than one year	18	(34,230)	-
Provisions for liabilities			
Deferred tax	21	(23,492)	(25,094)
		<u>(23,492)</u>	<u>(25,094)</u>
Net assets		<u><u>4,652,938</u></u>	<u><u>3,898,154</u></u>
Capital and reserves			
Called up share capital	22	250	250
Profit and loss account		4,652,688	3,897,904
		<u><u>4,652,938</u></u>	<u><u>3,898,154</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 October 2021.

V M James

Director

The notes on pages 15 to 29 form part of these financial statements.

SWIFT INDUSTRIAL SUPPLIES LTD

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	1,040,784	691,780
Adjustments for:		
Amortisation of intangible assets	233,701	188,194
Depreciation of tangible assets	38,570	43,857
Loss on disposal of tangible assets	2,666	26,439
Interest paid	2,109	6,661
Interest received	(642)	(222)
Taxation charge	248,050	141,570
(Increase) in stocks	(32,927)	(77,627)
Decrease/(increase) in debtors	46,185	(236,372)
Decrease/(increase) in amounts owed by participating ints	233,022	(64,492)
Increase/(decrease) in creditors	1,052,627	(3)
(Decrease)/increase in amounts owed to participating ints	(241,601)	38,912
Corporation tax (paid)	(94,215)	(94,484)
Net cash generated from operating activities	2,528,329	664,213
Cash flows from investing activities		
Purchase of intangible fixed assets	(29,550)	(127,871)
Purchase of tangible fixed assets	(84,696)	(43,931)
Sale of tangible fixed assets	2,222	-
Interest received	642	222
Net cash from investing activities	(111,382)	(171,580)
Cash flows from financing activities		
Repayment of loans	(102,410)	(65,818)
Other new loans	543,032	33
Repayment of/new finance leases	42,828	(25,528)
Dividends paid	(286,000)	(468,000)
Interest paid	(2,109)	(6,661)
Net cash used in financing activities	195,341	(565,974)
Net increase/(decrease) in cash and cash equivalents	2,612,288	(73,341)
Cash and cash equivalents at beginning of year	276,296	349,637
Cash and cash equivalents at the end of year	2,888,584	276,296
Cash and cash equivalents at the end of year comprise:		

SWIFT INDUSTRIAL SUPPLIES LTD

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Cash at bank and in hand	2,888,584	276,296
	<u>2,888,584</u>	<u>276,296</u>

The notes on pages 15 to 29 form part of these financial statements.

SWIFT INDUSTRIAL SUPPLIES LTD

ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2020

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	276,296	2,612,288	2,888,584
Debt due within 1 year	(112,519)	(434,788)	(547,307)
Finance leases	-	(42,828)	(42,828)
	<u>163,777</u>	<u>2,134,672</u>	<u>2,298,449</u>

The notes on pages 15 to 29 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.9 Intangible assets

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the over its useful economic life.

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
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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	-	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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.16 Financial instruments (continued)

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.

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.

SWIFT INDUSTRIAL SUPPLIES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

4. Turnover

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

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	13,161,332	10,986,936
Rest of Europe	30,274	45,105
Rest of the world	27,826	26,135
	<u>13,219,432</u>	<u>11,058,176</u>

5. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Exchange differences	(6,199)	509
Other operating lease rentals	<u>43,588</u>	<u>26,826</u>

6. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>20,235</u>	<u>18,945</u>

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

Taxation compliance services	6,666	1,354
All other services	705	536
	<u>7,371</u>	<u>1,890</u>

SWIFT INDUSTRIAL SUPPLIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Employees

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	1,940,818	1,884,778
Social security costs	188,512	183,944
Cost of defined contribution scheme	30,927	31,008
	<u>2,160,257</u>	<u>2,099,730</u>

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

	2020 No.	2019 No.
Office	35	36
Production	6	7
Despatch	18	16
	<u>59</u>	<u>59</u>

8. Interest receivable

	2020 £	2019 £
Other interest receivable	642	222
	<u>642</u>	<u>222</u>

9. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	400	2,559
Other loan interest payable	1,709	4,101
	<u>2,109</u>	<u>6,660</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

10. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	266,895	141,570
Adjustments in respect of previous periods	(17,243)	-
	<u>249,652</u>	<u>141,570</u>
Total current tax	<u>249,652</u>	<u>141,570</u>
Deferred tax		
Origination and reversal of timing differences	(1,602)	-
Total deferred tax	<u>(1,602)</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>248,050</u>	<u>141,570</u>

Factors affecting tax charge for the year

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

	2020 £	2019 £
Profit on ordinary activities before tax	<u>1,288,834</u>	<u>833,349</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	244,878	158,336
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	6,726	484
Capital allowances for year in excess of depreciation	21,228	23,855
Utilisation of tax losses	-	(4,192)
Movement in provisions	(5,937)	7,694
Under provision last year	(17,243)	(44,607)
Deferred tax	(1,602)	-
Total tax charge for the year	<u>248,050</u>	<u>141,570</u>

SWIFT INDUSTRIAL SUPPLIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Taxation (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Dividends

	2020 £	2019 £
Dividends	286,000	468,000
	<u>286,000</u>	<u>468,000</u>

12. Intangible assets

	Computer software £
Cost	
At 1 January 2020	817,782
Additions	29,550
	<u>847,332</u>
At 31 December 2020	
Amortisation	
At 1 January 2020	324,643
Charge for the year on owned assets	232,590
	<u>557,233</u>
At 31 December 2020	
Net book value	
At 31 December 2020	<u>290,099</u>
<i>At 31 December 2019</i>	<u>493,138</u>

SWIFT INDUSTRIAL SUPPLIES LTD

NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost or valuation					
At 1 January 2020	426,152	276,092	23,115	242,808	968,167
Additions	-	2,469	50,627	31,600	84,696
Disposals	-	-	(20,897)	-	(20,897)
At 31 December 2020	426,152	278,561	52,845	274,408	1,031,966
Depreciation					
At 1 January 2020	415,217	267,924	15,191	187,507	885,839
Charge for the year on owned assets	10,935	4,396	4,888	18,351	38,570
Disposals	-	-	(14,898)	-	(14,898)
At 31 December 2020	426,152	272,320	5,181	205,858	909,511
Net book value					
At 31 December 2020	-	6,241	47,664	68,550	122,455
At 31 December 2019	10,935	8,168	7,924	55,301	82,328

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

	2020 £	Unaudited 2018 £
Motor vehicles	47,463	-
	47,463	-

SWIFT INDUSTRIAL SUPPLIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
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14. Stocks

	2020 £	2019 £
Finished goods and goods for resale	1,988,431	1,955,504
	<u>1,988,431</u>	<u>1,955,504</u>

15. Debtors

	2020 £	2019 £
Trade debtors	1,801,375	2,025,435
Amounts owed by joint ventures and associated undertakings	768,113	1,001,135
Other debtors	188,689	1,427
Prepayments and accrued income	56,769	68,656
	<u>2,814,946</u>	<u>3,096,653</u>

16. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	2,888,584	276,296
	<u>2,888,584</u>	<u>276,296</u>

SWIFT INDUSTRIAL SUPPLIES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other loans	543,031	102,409
Trade creditors	974,398	1,049,564
Amounts owed to other participating interests	88,152	329,753
Corporation tax	297,055	141,617
Other taxation and social security	1,140,067	119,075
Obligations under finance lease and hire purchase contracts	8,598	-
Other creditors	4,277	10,108
Accruals and deferred income	338,277	228,145
	<u>3,393,855</u>	<u>1,980,671</u>

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

	2020 £	2019 £
Net obligations under finance leases and hire purchase contracts	34,230	-
	<u>34,230</u>	<u>-</u>

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	8,598	-
Between 1-5 years	34,230	-
	<u>42,828</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>2,888,584</u>	<u>276,296</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.

21. Deferred taxation

	2020 £
At beginning of year	(25,094)
Charged to profit or loss	1,602
At end of year	<u>(23,492)</u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(26,014)	(32,671)
Short term timing differences	2,522	7,577
	<u>(23,492)</u>	<u>(25,094)</u>

22. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
250 (2019 - 250) Ordinary shares of £1.00 each	<u>250</u>	<u>250</u>

NOTES TO THE FINANCIAL STATEMENTS
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23. 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 (2019: £28,745). Contributions totalling £8,507 (2019: £3,304) were payable to the fund at the reporting date and are included in creditors.

24. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	10,072	41,190
Later than 1 year and not later than 5 years	34,230	17,201
	<u>44,302</u>	<u>58,391</u>

25. Forward foreign exchange contracts

As at the year end the company agreed to purchase £nil (US Dollars) (2019: 350,000 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.

26. Transactions with directors

At the year end the directors owed the company £188,689 (2019 £nil), this amount was repaid on 30 September 2021.

27. Related party transactions

At the 31 December 2020 the company had the following related company balances and transactions:

Traffisafe Ltd, a company 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 £767,848 (2019: £682,716).

During the year, sales of £3,278 (2019: £384,194) were made to Traffisafe Ltd and purchases of £425,647 (2019: £174,547) were made from Traffisafe Ltd. These transactions were made during the normal course of business.

Tridex Global Limited, a company controlled by A R James and V M James. At the year end, Tridex Global Limited was owed £88,152 (2019 £118,611) by Swift Industrial Supplies Ltd.

SWIFT INDUSTRIAL SUPPLIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
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28. Controlling party

The controlling party is Swift Industrial Holding Company Limited.

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