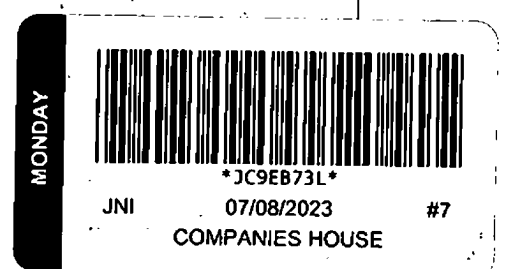
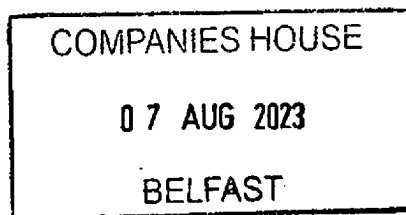


Company registration number: NI038618

Savage & Whitten Wholesale Limited
Annual report and financial statements
31 December 2022



Savage & Whitten Wholesale Limited

Contents

| | Page |
|---------------------------------------------|----------------|
| Directors and other information | 1 |
| Strategic report | 2 - 3 |
| Directors' report | 4 - 6 |
| Independent auditors' report to the members | 7 - 10 |
| Statement of comprehensive income | 11 |
| Statement of financial position | 12 |
| Statement of changes in equity | 13 |
| Notes to the financial statements | 14 - 27 |

Savage & Whitten Wholesale Limited

Directors and other information

Directors Mr Norman Savage
Mr Alan Dorman
Mr Michael Skelton
Mr Anthony McVeigh

Secretary Mr Anthony McVeigh

Company number NI038618

Registered office / Business address Unit 1A
Carnbane Business Park
Derryboy Road
Newry
Co Down
BT35 6FY

Auditor KPMG
The Soloist Building
1 Lanyon Place
Belfast
BT1 3LP

Bankers Danske Bank
Hill Street
Newry
Co Down

Solicitors Tughans LLP
Marlborough House
30 Victoria Street
Belfast
BT1 3GG

Strategic report
Year ended 31 December 2022

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

Review of the business

The results for the year are set out on page 8. The directors consider the profit achieved on ordinary activities to be very satisfactory. The directors present the following Key Performance Indicators:

| KPI | 2022 | 2021 |
|------------------------------------------------|--------|--------|
| Turnover increase | 11.00% | 0.16% |
| Gross margin | 13.42% | 13.57% |
| Operating margin (operating profit / sales) | 4.40% | 4.67% |

Principal risks and uncertainties

The company maintains a business risk register and regularly reviews the principal risks faced. The impact of various risks on the performance of the company is mitigated through a proactive approach combined with a solid control environment.

The company operates in a competitive market. A major priority for the company remains the ability to continue to provide high levels of customer service to maintain buying power and provide retailers with competitive prices. As a member of Unitas the company seeks to retain its competitive advantage by offering the value and range of a national distributor using free delivery to the whole of Northern Ireland and many parts of the Republic of Ireland. With the implementation and upgrading of technology, orders are consistently fulfilled with a high level of accuracy and the company is striving to maintain and develop this service. As a private independent wholesale distributor, the company has the advantage of understanding the pressure on the independent retailer and seeks to use this knowledge to endeavor to improve service, support, and value to customers.

During 2022, the outbreak of Covid-19 continued to be a global factor. The various impacts and restrictions which followed required the Board to monitor any risks combined with operational challenges presented. The necessary risk assessments were completed, and the business will continue to implement controls to manage any associated risks.

The company proactively planned for the potential impacts arising from Brexit. The Board believes the business is well positioned to deal with the ongoing impact of the exit of the UK from the EU.

Analysis of the development, performance, and position of the business

The directors are delighted to report that the company increased its position in the market in 2022 with year on year increase in turnover of c11%. Gross profit margin has been reported at 13.42%.

The company continues to look to grow with new markets and retailer needs identified. The company is looking to develop its strong support system to supplied retailers, control operating costs, invest in personnel and continue its appreciated customer service. The company understands the challenges the current economic climate presents within the food wholesaling industry and have set in place a number of plans to ensure the company remains profitable, efficient, and competitive as continued growth is expected. Consumer price consciousness and competition within the marketplace will continue in 2023 but the company is well placed to respond.

Future developments

As part of the strategic plan for the company, access has been obtained to a new site for an expanded warehouse facility. Upon completion, the new facility will provide the company with capacity to deliver beyond the current strategic plan agreed by the board. All investment decisions within the strategic plan are subject to review to ensure the company maintains high levels of customer service whilst also providing value to retailers.

In early 2023, the company moved to be part of an Employee Ownership Trust (EOT) model. The EOT model provides an opportunity to secure the long term succession for the business in a sustainable structure.

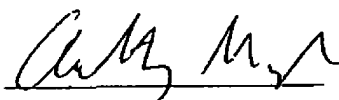
Strategic report (continued)
Year ended 31 December 2022

Section 172 (1) statement

The directors have acted in a way they consider to be in good faith and would be most likely to promote the success of the company for the benefit of stakeholders (having regard to the stakeholders and matters set out in s172 (1) (a) to (f) of the Companies Act 2006) in the decisions taken during the year ended 31 December 2022. In particular:

- The Board regularly reviews and updates the long-term strategic plans of the business. Operational and financial performance is monitored against budget in detail throughout the financial year.
- The Board is aware of the importance of the company's employees to the long-term success of the business and our people form a key part of our strategy.
- We aim to be a responsible employer in our approach to the pay and benefits our employees receive and the conditions they work in. The health, safety and wellbeing of our employees is one of our primary considerations.
- The Board regularly reviews how the company maintains relationships with all of our stakeholders including suppliers, customers, and others.
- The strategic plan of the company aims to develop staff, customers and supplier relationships while having a positive impact on other stakeholders.
- The company actively seeks to minimize our impact on the environment by reducing our carbon and environmental foot print.
- As directors, our intention is to behave responsibly and ensure that management operate the business in a responsible manner maintaining a reputation for high standards of business conduct.
- The business has entered into the EOT model post year end. There are 3 Board members who are also members of the Trustee Board and are actively involved in the day-to-day running of the business with a focus on the long-term strategy. Board meetings are held regularly to discuss strategic direction and objectives with the Trustees updated on business performance and future plans.

This report was approved by the board of directors on 27 April 2023 and signed on behalf of the board by:



Mr Anthony McVeigh
Company secretary

Savage & Whitten Wholesale Limited

Directors' report Year ended 31 December 2022

The directors present their report and the audited financial statements of the company for the financial year ended 31 December 2022.

Principal activity

The principal activity of the company is the wholesale distribution of groceries, tobacco and provisions. The company operates its activities from Newry, Co Down and a branch in the Republic of Ireland.

Directors

The directors who served the company during the year are detailed below:

Mr Norman Savage

Mr Alan Dorman

Mr Michael Skelton

Mr Anthony McVeigh

Results and Dividends

The company made a net profit before tax of £6,051k (2021: £5,812k).

Particulars of recommended dividends are detailed in note 10 to the financial statements.

Financial instruments

Given the nature and location of its operations, the company is exposed to a variety of financial risks including credit risk, liquidity risk, interest rate cash flow risk and foreign exchange risk. Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The board has in place a risk management program seeking to limit the effect of these risks on the financial performance of the company with continual monitoring. The company has no significant exposure to price risk with respect to commodity price risk or equity securities price risk. The policies set by the board of directors are implemented by the company's finance department.

Credit Risk

The company has policies in place that support the constant review of the credit worthiness of existing customers and ensures appropriate credit checks are completed prior to the take on of new customers. Exposure to customers is monitored on an ongoing basis.

Liquidity Risk

The company actively maintains short-term and long-term finance to meet cash flow requirements.

Interest Rate Risk

The company has interest bearing liabilities which relate to both short-term and long-term finance. The policy for management of interest rates is reviewed on a regular basis.

Foreign Exchange Risk

The company sells outside of the UK and is therefore exposed to foreign exchange currency risk. Foreign exchange exposure is managed in line with company policy and subject to ongoing review. The company enters into forward currency arrangements to hedge against exposure to fluctuations in exchange rates.

Directors' report (continued)
Year ended 31 December 2022

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report on page 2. The overall position of the company is that it has *considerable financial resources together with established relationships with customers and suppliers.*

The directors recognise that the company's future performance will be influenced by the macro-economic, financial, and credit conditions, which are outside of the company's control. Based on all of the information available, including forecasts and projections, the directors believe that the current economic conditions will not significantly impact on the company's ability to continue in operational existence for the foreseeable future.

The directors consider that the company has sufficient financing and debt facilities available to meet its future requirements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Political contributions

The company did not make any political donations nor incurred any political expenditure in the year (2021: none).

Statement of engagement

Employees are kept as informed as is practicable about the progress of the business through a process of regular team meetings and briefings. Employees are provided with ongoing training and development with support from the People & Culture team.

Employment of disabled persons

It is the policy of the company to offer equal opportunity to disabled persons in recruitment, training and career development, having due regard to their aptitudes and abilities in relation to the jobs available.

Business relationships

The board regularly reviews how the company maintains positive relationships with all of its stakeholders including suppliers, customers and others.

Disclosure of Information in the strategic report

The company has chosen in accordance with section 414C (11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information in relation to an indication of likely future events, developments in the business and particulars of significant events which have occurred since the end of the financial year. The strategic report is included at page 2.

Carbon footprint

The company qualifies as large for the purposes of reporting emissions under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. The company's ultimate parent undertaking, S&W Nearby Holdings Limited, includes the company's information in its group directors' report, therefore there is no requirement to include this information in the company's directors' report, under this Regulation.

Directors' report (continued)
Year ended 31 December 2022

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 FRS102 The Financial Reporting standard applicable in the UK and Republic of Ireland as applied in accordance with the provisions of Companies Act 2006. 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 the profit or loss of the company for that period.

In preparing the group and company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Disclosure of information to auditor

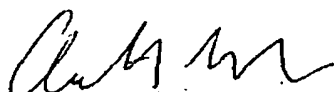
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the auditors are unaware; and
- they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG will therefore continue in office.

This report was approved by the board of directors on 27 April 2023 and signed on behalf of the board by:



Mr Anthony McVeigh
Company Secretary



KPMG
Audit
The Soloist Building
1 Lanyon Place
Belfast BT1 3LP
Northern Ireland

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAVAGE & WHITTEN WHOLESALE LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Savage & Whitten Wholesale Limited ('the Company') for the year ended 31 December 2022 set out on pages 11 to 27, which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, and related notes, including the summary of significant accounting policies set out in note 3. The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- the financial statements 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 ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

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 the date 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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAVAGE & WHITTEN WHOLESALE LIMITED (continued)

Report on the audit of the financial statements (continued)

Conclusions relating to going concern (continued)

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.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included: inquiring with the directors as to the Company's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the directors have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Company's regulatory and legal correspondence; and reading Board minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Company is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation, taxation legislation and distributable profits legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Company is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition. We did not identify any additional fraud risks.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the financial statements.

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

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAVAGE & WHITTEN WHOLESALE LIMITED (continued)

Report on the audit of the financial statements (continued)

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the strategic report and the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Opinions on other matters prescribed by the Companies Act 2006

Based solely on our work on the other information undertaken during the course of the audit:

- we have not identified material misstatements in the directors' report or the strategic report;
- in our opinion, the information given in the directors' report and the strategic report is consistent with the financial statements; and
- in our opinion, the directors' report and the strategic report have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAVAGE & WHITTEN WHOLESALE LIMITED (continued)

Respective responsibilities and restrictions on use (continued)

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, other irregularities or error, and to issue an opinion in an auditor's report. 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, other irregularities 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 fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

Our 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.

28 April 2023

Dominic Mudge (Senior Statutory Auditor)
for and on behalf of
KPMG Statutory Auditor
The Soloist Building
1 Lanyon Place
Belfast
BT1 3LP

Savage & Whitten Wholesale Limited

**Statement of comprehensive income
Year ended 31 December 2022**

| | Note | 2022 £'000 | 2021 £'000 |
|---------------------------------------------------------------|------|---------------|---------------|
| Turnover | 4 | 138,601 | 124,869 |
| Cost of sales | | (120,000) | (107,931) |
| Gross profit | | 18,601 | 16,938 |
| Distribution costs | | (4,369) | (3,659) |
| Administrative expenses | | (8,142) | (7,451) |
| Operating profit | 5 | 6,090 | 5,828 |
| Other income | | 17 | 20 |
| Interest payable and similar expenses | 8 | (56) | (36) |
| Profit before taxation | | 6,051 | 5,812 |
| Tax on profit | 9 | (1,012) | (1,005) |
| Profit for the financial year | | 5,039 | 4,807 |
| Other comprehensive income | | | |
| Effective portion of changes in fair value of cashflow hedges | | (891) | 167 |
| Deferred tax on items included in other comprehensive income | | 169 | (32) |
| Other comprehensive income for the year | | (722) | 135 |
| Total comprehensive income for the year | | 4,317 | 4,942 |

All activities of the company are from continuing operations.

The notes on pages 14 to 27 form part of these financial statements.

Savage & Whitten Wholesale Limited

**Statement of financial position
31 December 2022**

| | Note | 2022 £'000 | 2021 £'000 | £'000 |
|----------------------------------------------------------------|------|---------------|---------------|-------|
| Fixed assets | | | | |
| Intangible assets | 11 | 618 | 404 | |
| Tangible assets | 12 | 1,470 | 1,437 | |
| Investments | 13 | 174 | 174 | |
| | | | | |
| | | | 2,262 | 2,015 |
| Current assets | | | | |
| Stocks | 14 | 8,364 | 7,883 | |
| Debtors | 15 | 12,201 | 11,998 | |
| Cash at bank and in hand | 16 | 4,599 | 2,349 | |
| | | | | |
| | | 25,164 | 22,230 | |
| Creditors: amounts falling due within one year | 17 | (16,789) | (14,475) | |
| | | | | |
| Net current assets | | | 8,375 | 7,755 |
| | | | | |
| Total assets less current liabilities | | | 10,637 | 9,770 |
| | | | | |
| Creditors: amounts falling due after more than one year | 18 | (8) | (75) | |
| | | | | |
| Provisions for liabilities | 22 | (207) | (269) | |
| | | | | |
| Net assets | | | 10,422 | 9,426 |
| | | | | |
| Capital and reserves | | | | |
| Called up share capital | 23 | 10 | 10 | |
| Cash flow hedge reserve | 24 | (587) | 135 | |
| Profit and loss account | | 10,999 | 9,281 | |
| | | | | |
| Shareholders' funds | | | 10,422 | 9,426 |

These financial statements were approved by the board of directors and authorised for issue on 27 April 2023 and are signed on behalf of the board by:


Mr Michael Skelton
Director

Company registration number: NI038618

The notes on pages 14 to 27 form part of these financial statements.

Savage & Whitten Wholesale Limited

**Statement of changes in equity
Year ended 31 December 2022**

| | Called up share capital £'000 | Cashflow hedging reserve £'000 | Profit and loss account £'000 | Total £'000 |
|---------------------------------------------------------------|-------------------------------------|-----------------------------------------|-------------------------------------|----------------|
| At 1 January 2021 | 10 | - | 12,224 | 12,234 |
| Profit for the year | - | - | 4,807 | 4,807 |
| Effective portion of changes in fair value of cashflow hedges | - | 167 | - | 167 |
| Deferred tax on items included in other comprehensive income | - | (32) | - | (32) |
| Total comprehensive income for the year | - | 135 | 4,807 | 4,942 |
| Transactions with owners recorded directly in equity | | | | |
| Dividends paid and payable | - | - | (7,750) | (7,750) |
| Total contributions by and distributions to owners | - | - | (7,750) | (7,750) |
| At 31 December 2021 and 1 January 2022 | 10 | 135 | 9,281 | 9,426 |
| Profit for the year | - | - | 5,039 | 5,039 |
| Effective portion of changes in fair value of cashflow hedges | - | (891) | - | (891) |
| Deferred tax on items included in other comprehensive income | - | 169 | - | 169 |
| Total comprehensive income for the year | - | (722) | 5,039 | 4,317 |
| Transactions with owners recorded directly in equity | | | | |
| Dividends paid and payable | - | - | (3,321) | (3,321) |
| Total contributions by and distributions to owners | - | - | (3,321) | (3,321) |
| At 31 December 2022 | 10 | (587) | 10,999 | 10,422 |

The notes on pages 14 to 27 form part of these financial statements.

Notes to the financial statements
Year ended 31 December 2022

1. General information

The company is a private company limited by shares incorporated, domiciled and registered in Northern Ireland in the UK. The address of the registered office is Unit 1A, Carnbane Business Park, Carnbane Industrial Estate, Newry, Co Down, BT35 6FY and the registered number is NI038618.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, *'The Financial Reporting Standard applicable in the UK and Republic of Ireland'*.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis except that the following assets are stated at fair value: derivative financial instruments. The financial statements are prepared in sterling, which is the functional currency of the entity. All amounts in the financial statements have been rounded to the nearest £'000. The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

Exemptions for qualifying entities under FRS 102

The company's ultimate parent undertaking, Savage & Whitten Holdings Limited, includes the company in its consolidated financial statements. The consolidated financial statements of Savage & Whitten Holdings Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from Unit 1A Carnbane Business Park, Carnbane Industrial Estate, Newry, Co Down. 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:

- Under FRS 102 paragraph 1.12(b) from preparing a Statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Savage & Whitten Holdings Limited, includes the company's cash flows in its own consolidated financial statements;
- From the disclosure of financial instruments, required under FRS 102 paragraphs, 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statements disclosures;
- From disclosing the key management personnel compensation, as required by FRS 102 paragraph 33.7; and
- Disclosures of transactions and balances with wholly owned group companies under FRS 102 paragraph 33.1A, as all of the voting rights are controlled within the group.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 28.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report on page 2. The overall position of the company is that it has considerable financial resources together established relationships with customers and suppliers.

The directors recognise that the company's future performance will be influenced by the macro-economic, financial, and credit conditions, which are outside of the company's control. Based on all of the information available, including forecasts and projections, the directors believe that the current economic conditions will not significantly impact on the company's ability to continue in operational existence for the foreseeable future.

Notes to the financial statements (continued)
Year ended 31 December 2022

3. Accounting policies (continued)

Going concern (continued)

The directors consider that the company has sufficient financing and debt facilities available to meet its future requirements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account except for differences arising on the retranslation of qualifying cash flow hedges and items which are fair valued with changes taken to other comprehensive income, which are recognised in other comprehensive income.

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax, and rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer, usually on dispatch of the goods; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Dividends

Dividends on ordinary shares are recognised as a liability in the financial statements in the period in which they are declared by the company. In the case of interim dividends, these are considered to be declared when they are paid.

Notes to the financial statements (continued)
Year ended 31 December 2022

3. Accounting policies (continued)

Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease.

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Interest receivable and Interest payable

Interest payable and similar expenses include interest payable and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described at expenses above.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Notes to the financial statements (continued)
Year ended 31 December 2022

3. Accounting policies (continued)

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

| | | |
|----------------------------------|-------------|---------------|
| Short leasehold property | - 20% | straight line |
| Plant and machinery | - 25% | straight line |
| Fittings, fixtures and equipment | - 20% - 33% | straight line |
| Motor vehicles | - 25% | straight line |

Leased assets are depreciated over the shorter of the lease term and their useful lives.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefit.

Intangible Assets

Other intangible assets represent development costs in relation to the company's website and purchased computer software and are carried at amortised cost.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

| | | |
|-------------------|-------|---------------|
| Website | - 25% | straight line |
| Computer Software | - 25% | straight line |

The useful economic life of the website is based on managements' expectation of when the website will require a significant update. If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Fixed asset Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the weighted average principle and includes all costs of purchase and other costs incurred in bringing the stocks to their present location and condition.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

Notes to the financial statements (continued)
Year ended 31 December 2022

3. Accounting policies (continued)

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Financial instruments not considered to be basic

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- hedging instruments in a designated hedging relationship shall be recognised as set out below.

Derivative financial instruments and hedging

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in Other Comprehensive Income (OCI). Any ineffective portion of the hedge is recognised immediately in profit or loss.

For cash flow hedges, where the forecast transactions resulted in the recognition of a non-financial asset or non-financial liability, the hedging gain or loss recognised in OCI is included in the initial cost or other carrying amount of the asset or liability. Alternatively, when the hedged item is recognised in profit or loss the hedging gain or loss is reclassified to profit or loss.

Impairment excluding stocks

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Notes to the financial statements (continued)
Year ended 31 December 2022

3. Accounting policies (continued)

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

4. Turnover

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom and Ireland.

5. Operating profit

Operating profit is stated after charging/(crediting):

| | 2022 £'000 | 2021 £'000 |
|-----------------------------------------------------------------------------|---------------|---------------|
| Amortisation on intangible assets | 28 | 7 |
| Depreciation of tangible assets | 715 | 605 |
| Gain on disposal of tangible assets | (31) | (46) |
| Cost of stocks recognised as an expense | 121,369 | 111,243 |
| Fees payable to the company's auditor and its associates of other services: | | |
| - Audit of the accounts | 36 | 30 |
| - Tax services | 11 | 8 |
| - Other services | 2 | 2 |

6. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

| | 2022 No. | 2021 No. |
|----------------------|-------------|-------------|
| Administrative staff | 255 | 234 |
| Other staff | 25 | 26 |
| | 280 | 260 |

The aggregate payroll costs incurred during the year were:

| | 2022 £'000 | 2021 £'000 |
|-----------------------|---------------|---------------|
| Wages and salaries | 7,754 | 7,134 |
| Social security costs | 671 | 593 |
| Other pension costs | 189 | 183 |
| | 8,614 | 7,910 |

Savage & Whitten Wholesale Limited

Notes to the financial statements (continued)
Year ended 31 December 2022

7. Directors' remuneration

The directors aggregate remuneration in respect of qualifying services was:

| | 2022 £'000 | 2021 £'000 |
|----------------------------------------------------------------------------|---------------|---------------|
| Remuneration | 853 | 836 |
| Company contributions to pension schemes in respect of qualifying services | 27 | 26 |
| | <u>880</u> | <u>862</u> |

Remuneration of the highest paid director in respect of qualifying services:

| | 2022 £'000 | 2021 £'000 |
|--------------------------------------------------------------------------|---------------|---------------|
| Aggregate remuneration | 295 | 295 |
| Company contributions to pension plans in respect of qualifying services | 8 | 8 |
| | <u>303</u> | <u>303</u> |

Retirement benefits are accruing for 4 (2021: 4) directors under money purchase schemes.

8. Interest payable and similar expenses

| | 2022 £'000 | 2021 £'000 |
|--------------------------------------------|---------------|---------------|
| Bank loans and overdrafts | 48 | 23 |
| Other loans made to the company: | | |
| Finance leases and hire purchase contracts | 8 | 13 |
| | <u>56</u> | <u>36</u> |

9. Tax on profit

| | 2022 £'000 | 2021 £'000 |
|------------------------------------------------|---------------|---------------|
| Current tax: | | |
| UK current tax expense | 679 | 609 |
| Adjustments in respect of prior periods | (60) | - |
| Foreign current tax expense | 287 | 247 |
| Total current tax | <u>906</u> | <u>856</u> |
| Deferred tax: | | |
| Origination and reversal of timing differences | 61 | 95 |
| Adjustment in respect of prior periods | 26 | (4) |
| Impact of change in tax rates | 19 | 58 |
| | <u>106</u> | <u>149</u> |
| Tax on profit | <u>1,012</u> | <u>1,005</u> |

Notes to the financial statements (continued)
Year ended 31 December 2022

9. Tax on profit (continued)

| | 2022 Current tax £'000 | 2022 Deferred tax £'000 | 2022 Total tax £'000 | 2021 Current tax £'000 | 2021 Deferred tax £'000 | 2021 Total tax £'000 |
|------------------------------------------|---------------------------------|----------------------------------|-------------------------------|---------------------------------|----------------------------------|-------------------------------|
| Recognised in profit and loss account | 906 | 106 | 1,012 | 856 | 149 | 1,005 |
| Recognised in other comprehensive income | - | (169) | (169) | - | 32 | 32 |
| Total tax | 906 | (63) | 843 | 856 | 181 | 1,037 |

Reconciliation of tax expense:

The tax assessed on the profit for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%).

| | 2022 £'000 | 2021 £'000 |
|-----------------------------------------------------------------|---------------|---------------|
| Profit before taxation | 6,051 | 5,812 |
| Profit multiplied by rate of tax | 1,150 | 1,104 |
| Effect of expenses not deductible for tax purposes | 29 | 45 |
| Deferred tax not recognised | - | (66) |
| Difference in statutory tax rates (UK and overseas) | (149) | (128) |
| Impact of changes in tax rates | 19 | 58 |
| Timing differences in respect of fair value of cash flow hedges | (169) | 32 |
| Adjustments to tax charge in respect of previous periods | (34) | (4) |
| Group relief received for nil consideration | (3) | (4) |
| Tax on profit | 843 | 1,037 |

Factors which may affect future tax charges at 31 December 2022. In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. This has a consequential effect on the future tax charge.

10. Dividends**Equity dividends**

| | 2022 £'000 | 2021 £'000 |
|-------------------------------------------------------------------------------------------------------------|---------------|---------------|
| Dividends paid during the year (excluding those for which a liability existed at the end of the prior year) | 3,321 | 7,750 |

Notes to the financial statements (continued)
Year ended 31 December 2022

11. Intangible assets

| | Website £'000 | Computer software £'000 | Assets in the course of construction £'000 | Total £'000 |
|----------------------------|------------------|-------------------------------|-----------------------------------------------------|----------------|
| Cost | | | | |
| At 1 January 2022 | 89 | - | 323 | 412 |
| Additions | 8 | 28 | 205 | 241 |
| Transfers | - | 15 | (15) | - |
| At 31 December 2022 | 97 | 43 | 513 | 653 |
| Amortisation | | | | |
| At 1 January 2022 | 7 | - | - | 7 |
| Charge for the year | 23 | 5 | - | 28 |
| At 31 December 2022 | 30 | 5 | - | 35 |
| Net book value | | | | |
| At 31 December 2022 | 67 | 38 | 513 | 618 |
| At 31 December 2021 | 82 | - | 323 | 405 |

Amortisation is recognised in administrative expenses in the Statement of comprehensive income.

12. Tangible assets

| | Short leasehold property £'000 | Plant and machinery £'000 | Fixtures, fittings and equipment £'000 | Motor vehicles £'000 | Assets in the course of construction £'000 | Total £'000 |
|----------------------------|-----------------------------------------|---------------------------------|-------------------------------------------------|----------------------------|-----------------------------------------------------|----------------|
| Cost | | | | | | |
| At 1 January 2022 | 89 | 2,269 | 424 | 1,465 | 92 | 4,339 |
| Additions | - | 224 | 297 | 232 | - | 753 |
| Disposals | (73) | - | (55) | (227) | - | (355) |
| At 31 December 2022 | 16 | 2,493 | 666 | 1,470 | 92 | 4,737 |
| Depreciation | | | | | | |
| At 1 January 2022 | 89 | 1,754 | 177 | 882 | - | 2,902 |
| Charge for the year | - | 253 | 193 | 269 | - | 715 |
| Disposals | (73) | - | (55) | (222) | - | (350) |
| At 31 December 2022 | 16 | 2,007 | 315 | 929 | - | 3,267 |
| Net book value | | | | | | |
| At 31 December 2022 | - | 486 | 351 | 541 | 92 | 1,470 |
| At 31 December 2021 | - | 515 | 247 | 583 | 92 | 1,437 |

Notes to the financial statements (continued)
Year ended 31 December 2022

12. Tangible assets (continued)**Obligations under finance leases**

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

| | Plant and machinery £'000 | Motor vehicles £'000 | Total £'000 |
|----------------------------|------------------------------------------|-------------------------------------|------------------------|
| At 31 December 2022 | 6 | 83 | 89 |
| At 31 December 2021 | 12 | 187 | 199 |

13. Investments

| | Shares in group undertakings £'000 |
|---------------------------------------------------------------------------|-------------------------------------------------------|
| Cost and Net book value At 1 January 2022 and 31 December 2022 | 174 |

The company's investments comprise shares in subsidiary undertakings and other investments.

| Name and registered office | County of registration or incorporation | Principal activities | Class and percentage of shares held for 2022 and 2021 |
|---------------------------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Beechwood Retail Limited Mill House, Mill Street, Dundalk, Louth, Ireland | Republic of Ireland | The company operates a petrol station and forecourt convenience store | 100% ordinary shares |

14. Stocks

| | 2022 £'000 | 2021 £'000 |
|----------------|-----------------------|-----------------------|
| Finished goods | 8,364 | 7,883 |

The write down of stocks to net realisable value amounted to £734,243 (2021: £359,442). The write downs are included in cost of sales.

Finished goods and goods for resale recognised as cost of sales in the year amounted to £121,368,917 (2021: £111,243,073).

Savage & Whitten Wholesale Limited

Notes to the financial statements (continued)
Year ended 31 December 2022

15. Debtors

| | 2022 | 2021 |
|------------------------------------|---------------|---------------|
| | £'000 | £'000 |
| Trade debtors | 6,756 | 5,735 |
| Amounts owed by group undertakings | 82 | 2,062 |
| Prepayments and accrued income | 4,257 | 3,018 |
| Other debtors | 1,106 | 1,183 |
| | <u>12,201</u> | <u>11,998</u> |

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

16. Cash and cash equivalents

Cash and cash equivalents comprise the following:

| | 2022 | 2021 |
|------------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Cash at bank and in hand | 4,599 | 2,349 |
| Invoice financing facility (see note 18) | - | (344) |
| | <u>4,599</u> | <u>2,005</u> |

17. Creditors: amounts falling due within one year

| | 2022 | 2021 |
|-------------------------------------------|---------------|---------------|
| | £'000 | £'000 |
| Bank loans and invoice financing facility | - | 344 |
| Trade creditors | 9,839 | 9,783 |
| Accruals and deferred income | 4,252 | 2,657 |
| Derivative financial liability | 724 | - |
| Corporation tax | 293 | 263 |
| Social security and other taxes | 1,614 | 1,323 |
| Obligations under finance leases | 67 | 105 |
| | <u>16,789</u> | <u>14,475</u> |

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

| | 2022 | 2021 |
|----------------------------------|-------|-------|
| | £'000 | £'000 |
| Obligations under finance leases | 8 | 75 |

Danske bank hold as security against all amounts:

- A floating charge.
- A fixed charge over book debts.
- A cross company guarantee given by S&W Nearby Holdings Limited and Savage & Whitten Wholesale Limited.
- A legal charge over the shares of S&W Nearby Holdings Limited and Savage & Whitten Wholesale Limited.

Savage & Whitten Wholesale Limited

Notes to the financial statements (continued)
Year ended 31 December 2022

19. Obligations under finance leases

The total future minimum lease payments under finance agreements are as follows:

| | 2022 £'000 | 2021 £'000 |
|----------------------------------------------|---------------|---------------|
| Not later than 1 year | (72) | (119) |
| Later than 1 year and not later than 5 years | (9) | (75) |
| | (81) | (194) |
| Less: future finance charges | 6 | 14 |
| Present value of minimum lease payments | (75) | (180) |

20. Interest bearing loans and borrowings

As at 31 December 2022 the company owed a total of £nil (2021: £344,215) to the bank as part of its invoice financing arrangement. This arrangement is on a rolling basis with no fixed repayment date and had a nominal interest rate of 3.45% per annum above Bank of England base rate.

21. Other financial (liabilities)/assets

| | 2022 £'000 | 2021 £'000 |
|------------------------------------------------------------------------------|---------------|---------------|
| Financial (liabilities)/assets held for trading - forward currency contracts | | |
| Amounts falling due within one year | (724) | 167 |
| Amounts falling due after one year | | |
| | (724) | 167 |

22. Deferred tax

| | Total £'000 |
|------------------------------------------------------------|----------------|
| At 1 January 2022 | 269 |
| Credited to Profit and loss and other comprehensive income | (62) |
| At 31 December 2022 | 207 |

The deferred tax account consists of the tax effect of timing differences in respect of:

| | 2022 £'000 | 2021 £'000 |
|--------------------------------|---------------|---------------|
| Accelerated capital allowances | 377 | 271 |
| Other timing differences | (32) | (33) |
| Cashflow hedge | (138) | 31 |
| | 207 | 269 |

Savage & Whitten Wholesale Limited

Notes to the financial statements (continued)
Year ended 31 December 2022

23. Called up share capital

Allotted, called up and fully paid

| | 2022 | | 2021 | |
|-------------------------------|--------|-------|--------|-------|
| | No | £'000 | No | £'000 |
| Ordinary shares of £1.00 each | 10,000 | 10 | 10,000 | 10 |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

24. Capital and reserves

Cash flow hedging reserve

The hedging reserve comprises the effective portion of the cumulative charge in the fair value of cash flow hedging investments related to hedged transaction that have not yet accrued.

25. Commitments

Capital commitments

The company had a contracted capital commitment at year of £265,000 (2021: £431,000).

Financial commitments

There were no contracted financial commitments at either year end.

Operating lease commitments

Annual commitments in respect of non-cancellable operating leases are as follows:

| Non-property | 2022 £'000 | 2021 £'000 |
|----------------------------|-----------------------|-----------------------|
| Expiring within: | | |
| One year | 48 | 24 |
| Two to five years | 84 | 55 |
| At 31 December 2022 | 132 | 79 |
| Property | 2022 £'000 | 2021 £'000 |
| Expiring within: | | |
| One year | 450 | 343 |
| Two to five years | 578 | 702 |
| At 31 December 2022 | 1,028 | 1,045 |

During the year £436,300 (2021: £309,916) was recognised by the company as an expense in the Statement of comprehensive income in respect of operating leases.

Notes to the financial statements (continued)
Year ended 31 December 2022

26. Controlling party

The company is a 100% subsidiary of S&W Nearby Holdings Limited, a company registered in Northern Ireland. Previously the company was a 100% subsidiary of Savage & Whitten Holdings Limited on 11 May 2022 S&W Nearby Holdings Limited acquired the entire share capital of Savage & Whitten Holdings Limited (and indirectly Savage & Whitten Wholesale Limited and Beechwood Retail Limited) by way of a share for share exchange with the ultimate controlling parties.

During the year the ultimate controlling party was deemed to be Mr Norman Savage by virtue of his shareholding in S&W Nearby Holdings Limited, a company registered in Northern Ireland and ultimate parent undertaking. Subsequent to the year end and the establishment of the Employee Ownership Trust, S&W EOT Trustee Limited as Trustee of the S&W Employee Ownership Trust is deemed to be the ultimate controlling parties by virtue of its shareholding in S&W Nearby Holdings Limited.

The largest and smallest group into which the results of the company are included is that headed by S&W Nearby Holdings Limited, a company incorporated in Northern Ireland.
The publicly available financial statements can be obtained from Unit 1A Cambane Business Park, Cambane Industrial Estate, Newry, Co Down.

27. Subsequent events

Subsequent to the year end, certain shareholders disposed of their investment in S&W Nearby Holdings Limited to S&W EOT Trustee Limited, an Employee Ownership trust. The purpose of this was to provide a long term strategy for the business within an EOT business model. Going forward the S&W Nearby Holdings Group will be controlled by this Trust.

28. Significant judgements and estimation uncertainty

In the process of applying the company's accounting policies management are required to make estimates, assumptions and judgements that could materially affect the company's results or net asset position. The areas where key estimates, assumptions and judgements were made by management and are material to the company's reported results and net asset position are provisions against inventories and trade receivables, and amounts payable to customers under rebate and long term incentive arrangements.