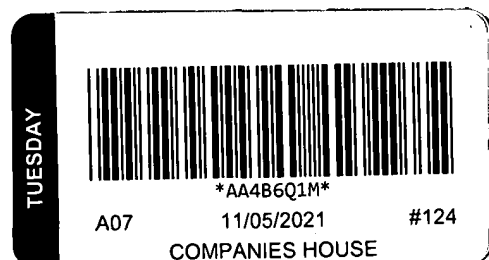


Company Registration No. 01509592 (England and Wales)

RAPID ELECTRONICS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020



RAPID ELECTRONICS LIMITED

COMPANY INFORMATION

Director	J Bates
Company number	01509592
Registered office	Severalls Hall Severalls Lane Colchester Essex CO4 5JS
Auditor	RSM UK Audit LLP Chartered Accountants Marlborough House Victoria Road South Chelmsford Essex CM1 1LN

RAPID ELECTRONICS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Business review

With over 40 years of distribution experience, Rapid has built a strong reputation within the education and electronics industry for its competitive pricing, fast fulfilment times and high service levels.

The Covid-19 Pandemic was a significant challenge for employees, customers and business operations and the response in navigating this external influence was imperative for Rapid's long term business prosperity and results during FY20. Keeping the business operational to a high standard to support customers, whilst protecting and maximising the health, safety and wellbeing of employees was the main priority.

Customers were impacted in different ways based on their sector types and Rapid's flexibility to react to their needs was paramount for both their ability to respond to the needs of "their" customers and "their" protection of employees, students, and home workers. Customers core needs were heightened for greater transparency of availability, access to technical information, competitive and stable pricing, a reliable on-time in full delivery, progress updates and the highest standards of quality and product regulation control.

The challenges faced during 2020 tested all parts of Rapid's Integrated Quality Management System, with a full delivery of the disaster recovery plan with positive results. In July Rapid re-certified to ISO9001 - Quality management, ISO14001 - Environmental Management and ISO45001 - Occupational Health and Safety Management, showing the strength of the management system to effectively govern the business through extremely challenging and volatile circumstances.

2020 Business Performance

Q1 performance was in line with 2019 until the last week of March at which point all customer sectors reacted to the pandemic which significantly impacted customer demand. Q2 were significantly impacted with steady monthly recovery thereafter.

PPE Equipment and Consumables

A short-term plan was implemented to pursue opportunities regarding the certification and sourcing of PPE equipment and consumables. This was not a new product category for Rapid, but with national priority it presented significant challenges for customers. Rapid's knowledge and experience regarding product compliance and quality control aided success with this category which delivered material results with no residual stock risk.

Education

Throughout 2020 Education customers were mostly learning from home, therefore Rapid moved the focus towards creating home learning projects and competitions in conjunction with key education partners. Whilst results from the education sector were heavily impacted, strong results from consumer segments can be attributed in part to the development of the education product ranges suitable for home-schooling focus and consumers.

In 2020 Rapid became an approved supplier within the NEUPC (North Eastern Universities Purchasing Consortium) Arts & Crafts Materials Framework. Rapid Education now holds a total of seven Lots within various framework agreements, across a wide range of products, from electronic components to laboratory glassware and art supplies. The Education sector ended -30% DAG on 2019 revenues, with all education segments impacted by UK lockdown restrictions.

Manufacturing

During the pandemic, Rapid provided Original Equipment Manufacturers with immediate access to products for the development and prototyping of ventilators as well as the provision of PPE equipment to keep their employees safe and operating with new increased restrictions and controls. Manufacturing customer segments were heavily impacted during Q2 with a small section of customers impacted for the duration of the year. Many sectors however continued with pace with a steady recovery overall throughout H2. The Manufacturing sector ended -11.6% DAG on 2019 revenues.

Rapid's long term stock services for contract manufacturers, provides customers with confidence Rapid can meet their production schedules. The service is designed for customers who want to reduce potential risks within their supply chain, with Rapid becoming a partner they can trust and rely on. We fix the product price, guarantee the stock, whilst giving the customer complete flexibility over their deliveries.

RAPID ELECTRONICS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Booked sales for stock programmes increase by 17% in 2020 although Rapids flexibility enabled customer to push back deliveries due to disruptions to their manufacturing schedules. Invoicing recovered towards the second half of H2. Invoiced sales contracted by -5% overall.

Replenishh

Replenishh is Rapids EV charging brand which launched in 2019. Replenishh experienced an extremely successful 2020 with 410% DAG revenue growth, culminating in being named 'EV Start-Up of the Year' at the Electric Vehicle Innovation Awards.

The mission of Replenishh is to help build the EV infrastructure within the UK. This is a vital part of the preparation for 2030, the new date that Government has set for banning the sale of new petrol, diesel or hybrid cars. When Replenishh was established, less than 18 months ago, this date was 2040, so the task to ensure that there are enough charging stations up and down the country is an even more pressing one.

Replenishh specifies and sells charging stations and system related products and provides training and support for electricians, installers and advice on OLEV grants that subsidise the cost of new charging installations.

A major Replenishh project in 2020 was Rapid's own EV charging installation at the company headquarters completed in December 2020. The project has 12 charging points in total, with some reserved for employees, and at least four for public use. All four public charge points offer 22kW power output, which can add 90 miles of range in around an hour of charging (dependent on the vehicle being charged).

Brexit Preparations

On 1st January 2021 the UK left the EU with a Free Trade Agreement (FTA) which enables product originating from within the UK or the EU to trade with zero tariffs. There are several specific areas of product or services which are affected by tariffs, but the majority of Rapid's distribution is covered by the FTA.

The main impact on Rapid regarding Brexit is that UK importers and exporters must ensure that product imported into the UK meets UK legislation and product exported to the EU meets similar regulations. Previously with the UK as part of the EU, the importer of products into the EU were primarily responsible for compliance to EU legislation with UK importers confirming and checking certification rather than owning its creation or testing. Whilst this is a big change, EU imports represent a small share of Rapid's volume of purchase with a high proportion of this being intercompany.

Rapid has a built up many years of product management expertise and gained valuable experience importing products into the UK. A vital change for Rapid is considering EU imports the same as global imports and applying well tested internal processes to ensure the highest product quality and regulation compliance.

COVID-19

Covid-19 was declared a pandemic on 11th March 2020 and immediately impacted all stakeholders including employees, customers, suppliers. The company immediately implemented a business continuity plan in line with government guidance. The Company was considered an essential business due to providing components and consumables to manufacturers, PPE and hygiene products to private and public sector companies and teaching apparatus and consumables to education establishments which was the basis for Rapid continuing to operate throughout the pandemic.

During the height of the pandemic the Company prepared short, medium and long term forecasts, flexed for various scenarios to assess the cash requirements of the business and headroom within available facilities. The Directors assessment of forecasts and the impact on going concern has been assessed in the going concern accounting policy.

Commercial and operational objectives were reviewed to prioritise our resources towards Consumer and EV customer segments which delivered increased revenues. These changes put pressure on margins, although costs were reduced to mitigate this impact.

RAPID ELECTRONICS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Rapid made use of the Government furlough support scheme with both operational and non-essential office-based staff which provided a temporary mechanism to retain staff in areas with reduced workloads based on the market impact.

Cash flow remained strong throughout due to increased consumer receipts and the limited impact of bad debt. Rapid also took advantage of the VAT payment deferral scheme for its April 20 return.

New COVID-19 policies and processes were implemented and regular meetings both internal and group were carried out for financial and safety planning. In June 2020 the Company successfully re-certified the Integrated Management System to ISO9001, ISO14001 and ISO45001 under new "COVID-19 safe" operational processes.

The Company continues to operate within its existing financial resources, benefitting from strong, long term relationships with its suppliers and customers. In light of this and having reviewed the Company's forecasts and projections, the Directors are of the opinion that the Company has adequate resources and considers it appropriate for the financial statements to be prepared on a going concern basis.

Profit and Loss account 2020

The trading results were affected by the COVID-19 pandemic. Q2 revenue was significantly down on 2019 21.5% (£1.1m). However we saw good recovery in the second half of 2020 and performance outstripped expectation with year on year growth of 4.5%. In the year ended 31 December 2020, net revenue declined by 4.9% to £19.6m (2019 £20.7m), resulting in a gross profit of £5.94m (2019 £6.71).

Marketing spend for the year was significantly reduced. National lockdown meant there were no exhibitions in 2020. Catalogue/mailed costs and PPC advertising were also reduced.

Administrative expenses, excluding the reduction in advertising, were principally driven by full year costs of 2019 Sales recruitment and staff restructuring costs incurred towards the end of the year. The weaker £ across the year also resulted in a favourable gain on the group loan.

Profit before tax was £0.95m (2019 £1.244m)

The director considers the results for the year to be in line with expectations given the market trading conditions and what was a challenging and unprecedented year.

The statement of income and retained earnings is set out on page 12. A summary of the results along with other selected Key Performance Indicators is as follows:

	2020 £'000	2019 £'000
Revenue	19,628	20,650
Profit before tax	955	1,244
Tax	(186)	(210)
Profit for the year after tax	768	1,035
Return on Sales	4.9%	6.0%
Revenue per employee	165	172
Profit after tax per employee	6.45	8.62
Net cash and cash equivalents	2,788	1,810

Revenue, profit before tax and net cash are monitored against budget and prior year by the director and senior management team. Significant variances are discussed along with any required remedial action.

RAPID ELECTRONICS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Business Model

2020 was an unpredictable but successful year for Rapid, with a change of priority towards customer segments and many new challenges overcome. The company reacted well to these challenges and benefitted from new working conditions, flexible systems and the strength of the Integrated Management System to facilitate planned changes. Great progress was made regarding the operational capability including the implementation of Continuous Improvement and 6S methodologies, the engagement of all employees and the growing performance culture within the organisation.

Rapid will continue to focus on employee wellbeing, training and career development to create a vibrant and progressive culture of people who share the same passion for technology and learning.

Quality

Re-accrediting to all ISO9001, ISO45001 and ISO14001 in June 2020 successfully with no minor non-conformances, after implementing the business recovery plan has shown the strength of the management system. It demonstrably increases Rapid's ability to perform to a high standard for customers and employees.

In 2020 Rapid strengthened its technical capabilities creating a Technical and Quality Control Department and in-house product testing capabilities. The team proactively reduce potential risks to product quality and to verify manufacturers test certifications and declarations to justify our customers confidence in Rapid's products and services.

Based on this success, the team are working towards ISO17025 for the competence of testing and calibration laboratories and EN61340-5-1 the protection of electronic devices from electrostatic phenomena which will further advance Rapid's ability to provide services to the OEM and contract manufacturing sector.

A comprehensive business continuity plan was created and tested which strengthens the company's operational reliability and suitability for both current and future customers or contracts.

Customer Service Excellence

In 2019 Rapid worked towards and achieved the Customer Service Excellence accreditation in accordance with the requirements of the cabinet office. A customer charter was created and rolled out across the business and many processes were improved or introduced to increase how to gain feedback, measure service levels, share results, improve design of services, and engage and train the business on their influence over customer satisfaction. The company was successfully audited for re-accreditation during 2020 achieving an increase from 3 pass+ to 7 pass+ accreditation scores.

Distribution Services

Rapid's HSL business model coupled with flexibility to manage forward or scheduled orders or complicated kitting and sourcing projects provides a strong proposition for any customer looking to consolidate their supply routes. Rapid is experienced in dealing with many of the UK's national and local wholesale and retail organisations and can provide a scalable, reliable route to market with a market leading web platform with customer service teams online ready to support every step of the customer journey. The technical teams can quickly integrate with eCommerce systems and ERP platforms working with API's or catalogue systems to enable live and accurate data feeds.

Objectives and Strategies

Rapid's employees are the critical success factor for 2021 which is why an enhanced and focused 2021 people plan is at the heart of the strategy. In 2021 Rapid will launch a new Management Development Programme alongside the creation of a Steering Committee to create and launch a 5 year strategy and build on the success from our 2020 and 2021 plans.

Rapid will invest in new resources and roles to speed up and increase sourcing plans and relationships and collaborations with our manufacturing partners.

Leveraging in-house systems development is a key priority with plans to increase efficiency and functionality of the Warehouse Management System, Product Information Systems and Customer Relationship Management tools. All of these improvements will bring additional functionality to customers through Rapid's online systems.

RAPID ELECTRONICS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Principal Risks and Uncertainties

Risk	Potential Impact	Mitigations
<p>COVID-19 Rapid is exposed to the impact of COVID-19 on both its customers and suppliers.</p>	<p>A fall in sales due to imposed lockdowns is considered a risk. Potential increase in bad debt as some customers cannot trade.</p>	<p>Rapid has strong cash balances and can reduce costs by utilising Government backed schemes should there be a significant downturn in business. Rapid can also recall the group loan at short notice.</p>
<p>Business disruption The company's distribution operations could be subjected to disruption due to factors such as a major fire or failure of essential IT equipment.</p>	<p>Incidents such as fire or the failure of key IT systems could result in the temporary cessation of operations adversely affecting its financial results.</p>	<p>Procedures have been implemented for disaster recovery and business continuity. The company maintains adequate insurance to cover business interruption and damage to property and stock from such events.</p>
<p>Fraud The risk that an employee or group of employees could obtain funds or products through deception either directly or with external assistance.</p>	<p>Significant financial fraud could deplete the company's assets and affect the financial results.</p>	<p>The company has a series of control procedures in place which are designed to minimise the risk and which are reviewed periodically. Segregation of duties are a key component within these controls.</p>
<p>Foreign exchange risk The risk that the fair value of a financial instrument or future cash flows will fluctuate because of changes in foreign exchange rates. The company's risk relates primarily to its trading activities in Asia and Europe.</p>	<p>Exchange rate fluctuations may adversely affect the company's financial results.</p>	<p>The company undertakes some activities in the Eurozone where purchases of products denominated in Euros provide an element of natural hedging for sales in Euros. Additional currency purchases, above the forecast requirement, are made when rates are favourable.</p>
<p>Credit risk The company is exposed to credit risk from its trading activities primarily from trade receivables.</p>	<p>The failure of a customer to meet their financial obligation could result in a financial loss to the company.</p>	<p>Credit quality of the customer is assessed based on third party scoring and individual credit limits are defined in accordance with this assessment. Outstanding receivables are regularly monitored and customer orders are held when payment terms are exceeded.</p>

RAPID ELECTRONICS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

<p>Liquidity risk The risk that the company will not be able to meet its financial obligations as they fall due.</p>	<p>Insufficient funds could result in the company not being able to fund its operations.</p>	<p>The company's approach to managing liquidity is to ensure that it will always have sufficient funds to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.</p> <p>The company maintains a close relationship with its UK bank to support liquidity should the need arise.</p>
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On behalf of the board



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J Bates

Director

04.05.21
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RAPID ELECTRONICS LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The director presents his annual report and financial statements for the year ended 31 December 2020.

Principal activities

The principal activity of the company continued to be that of the wholesale, distribution and retail of electronic components, equipment and tools.

Directors

The director who held office during the year and up to the date of signature of the financial statements was as follows:

J Bates

Results and dividends

The results for the year are set out on page 12.

Interim ordinary dividends were paid during the year amounting to £520,721 (2019: £952,875). The director does not recommend payment of a final dividend.

Qualifying third party indemnity provisions

Qualifying third party indemnity provision for the benefit of all directors of the company has been put in place by another group company.

Going concern

The Covid-19 outbreak was declared a pandemic on the 11 March 2020 and has had an impact on the Company results for the year ended 31 December 2020. The director has assessed that Covid-19 has had a financial impact on the business with a reduction in revenue but with corresponding reduction in cost of sales. The director also elected to make use of the governments furlough scheme in order to protect the business and mitigate the impact of Covid-19. Further information on the financial performance for the year is included within the Strategic Report.

The director has assessed that the true impact of Covid-19 cannot be reliably quantified but has incorporated additional sensitivities into detailed profit and loss and cashflow forecasts, satisfying himself that the Company remains a going concern for a period of at least 12 months from approval of the financial statements.

Auditor

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

Statement of disclosure to auditor

So far as the director is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Matters of Strategic Importance

Information is not shown within the Director's Report as it is instead included within the Strategic Report under S414c(11).

On behalf of the board

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James Bates

J Bates
Director

Date: 04.05.21

RAPID ELECTRONICS LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

The director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

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

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAPID ELECTRONICS LIMITED

Opinion

We have audited the financial statements of Rapid Electronics Limited (the 'company') for the year ended 31 December 2020 which comprise Statement of Income and Retained Earnings, Statement of Financial Position and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

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 director with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAPID ELECTRONICS LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where 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 the director

As explained more fully in the director's responsibilities statement set out on page 8, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

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

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAPID ELECTRONICS LIMITED (CONTINUED)

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

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006, tax compliance regulations and compliance with the regulations of the Coronavirus Job Retention Scheme (CJRS). We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities where relevant, and in relation to CJRS we have reviewed relevant contracts and agreements and checked compliance with the terms of the CJRS.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety. We performed audit procedures to inquire of management directly responsible for these areas and of those charged with governance whether the company is in compliance with these laws and regulations, inspected legal correspondence for any evidence of any incidents and completed searches for any reportable incidents in the public domain.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to him in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Kerry Norman (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Marlborough House
Victoria Road South
Chelmsford
Essex, CM1 1LN
7/5/21

RAPID ELECTRONICS LIMITED

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

		2020	2019
	Notes	£	£
Turnover	3	19,628,370	20,650,278
Cost of sales		(13,688,287)	(13,936,901)
		<hr/>	<hr/>
Gross profit		5,940,083	6,713,377
Administrative expenses		(5,283,997)	(5,488,582)
Other operating income		287,570	-
		<hr/>	<hr/>
Operating profit	4	943,656	1,224,795
Interest receivable and similar income	7	11,248	19,483
		<hr/>	<hr/>
Profit before taxation		954,904	1,244,278
Taxation	8	(186,453)	(209,522)
		<hr/>	<hr/>
Profit for the financial year		768,451	1,034,756
Retained earnings brought forward		6,354,287	6,272,406
Dividends	9	(520,721)	(952,875)
		<hr/>	<hr/>
Retained earnings carried forward		6,602,017	6,354,287
		<hr/> <hr/>	<hr/> <hr/>

The income statement has been prepared on the basis that all operations are continuing operations.

RAPID ELECTRONICS LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2020**

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Intangible assets	10		31,032		39,338
Tangible assets	11		408,199		357,986
			<u>439,231</u>		<u>397,324</u>
Current assets					
Stocks	12	4,379,217		4,649,906	
Debtors	13	3,368,991		3,170,712	
Cash at bank and in hand		2,788,341		1,810,013	
		<u>10,536,549</u>		<u>9,630,631</u>	
Creditors: amounts falling due within one year	14	<u>(3,522,387)</u>		<u>(2,826,551)</u>	
Net current assets			<u>7,014,162</u>		<u>6,804,080</u>
Total assets less current liabilities			<u>7,453,393</u>		<u>7,201,404</u>
Provisions for liabilities	15		<u>(41,374)</u>		<u>(37,115)</u>
Net assets			<u><u>7,412,019</u></u>		<u><u>7,164,289</u></u>
Capital and reserves					
Called up share capital	17		810,002		810,002
Profit and loss reserves	18		6,602,017		6,354,287
Total equity			<u><u>7,412,019</u></u>		<u><u>7,164,289</u></u>

The financial statements were approved and signed by the director and authorised for issue on 04.05.21

James Bates

 J Bates
 Director

RAPID ELECTRONICS LIMITED

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

1 Accounting policies

Company information

Rapid Electronics Limited is a private company limited by shares incorporated in England and Wales. The registered office and principal place of business is Severalls Hall, Severalls Lane, Colchester, Essex, CO4 5JS.

The company's principal activities and nature of its operations are disclosed in the Director's Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the company. All amounts are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

As a result of being a qualifying entity, the Company has taken advantage of the exemptions from the following disclosure requirements in accordance with FRS102'

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;

The financial statements of the company are consolidated in the financial statements of Rapid Electronics Holdings Limited. These consolidated financial statements are available from Companies House.

Going concern

At the time of approving the financial statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, a period of at least 12 months from the approval of the financial statements. As part of their assessment, the Directors have prepared detailed profit and loss and cashflow forecasts for the company which take into account their best estimate of the impact of Covid-19 on the business, and these demonstrate that the company has sufficient cash for the foreseeable future. Performance during the Covid-19 period has been assessed and although revenue, costs and profit are down overall, gross and net profit margins remain similar to pre-Covid levels following a series of mitigating steps taken by management including use of the governments furlough scheme.

It is expected that the impact of Covid-19 will not have a material impact of the ability of the company to continue to operate as a going concern and as such the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover represents the invoiced value, net of Value Added Tax, of goods sold provided to customers and is recognised when invoices are raised upon despatch of goods.

Intangible fixed assets other than goodwill

Intangible assets are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

RAPID ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following basis:

Purchased computer software	Over the remaining useful life
-----------------------------	--------------------------------

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the remaining useful life of the lease
Plant and machinery	15% reducing balance or straight line over the remaining useful life of the asset (12-240 months)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost of finished goods includes all costs incurred in bringing the product to its present location and condition. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items. Cost is computed on a first in, first out basis.

RAPID ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, accrued income and amounts due from group undertakings are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, accruals and amounts due to group undertakings, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

RAPID ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense.

Current and deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

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

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable. Differences between contributions payable in the year and contributions actually paid are shown as either other debtors or other creditors in the balance sheet.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred.

RAPID ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Provisions

The Company has recognised provisions for impairment of inventories, impairment of trade receivables, employee bonuses and income tax in its financial statements which requires management to make judgements. The judgements, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other reasonable factors.

Useful lives of property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives of the Company's assets are determined by management at the time the asset is acquired and reviewed at least annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2020	2019
	£	£
Turnover analysed by class of business		
Sale of goods	19,628,370	20,650,278
	<u>19,628,370</u>	<u>20,650,278</u>

RAPID ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3 Turnover and other revenue (Continued)

	2020	2019
	£	£
Other revenue		
Interest income	11,248	19,483
Grants received	287,570	-
	<u> </u>	<u> </u>
	2020	2019
	£	£
Turnover analysed by geographical market		
United Kingdom	18,498,840	19,546,452
Rest of European Union	797,795	758,359
Rest of World	331,735	345,467
	<u> </u>	<u> </u>
	<u>19,628,370</u>	<u>20,650,278</u>

Included in grants received is furlough income of £287,570.

4 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(40,640)	57,394
Government grants	(287,570)	-
Fees payable to the company's auditor for the audit of the company's financial statements	17,000	12,490
Depreciation of owned tangible fixed assets	62,089	54,009
Loss on disposal of tangible fixed assets	22,446	-
Amortisation of intangible assets	8,306	9,518
Impairment of stocks recognised as an expense	248,093	247,936
Operating lease charges	297,083	309,696
	<u> </u>	<u> </u>

5 Employees

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

	2020	2019
	Number	Number
Office	72	72
Warehouse	46	47
Directors	1	1
	<u> </u>	<u> </u>
	<u>119</u>	<u>120</u>

RAPID ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

5 Employees (Continued)

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	3,163,570	3,032,818
Social security costs	265,931	258,716
Pension costs	194,828	188,498
	<u>3,624,329</u>	<u>3,480,032</u>

6 Directors' remuneration

	2020	2019
	£	£
Remuneration for qualifying services	112,873	125,836
Company pension contributions to defined contribution schemes	7,197	7,049
	<u>120,070</u>	<u>132,885</u>

The number of directors for whom retirement benefits accrued during the year under defined contribution schemes amounted to 1 (2019 - 1).

7 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Interest on bank deposits	2,132	9,935
Interest receivable from group companies	9,040	9,440
Other interest income	76	108
	<u>11,248</u>	<u>19,483</u>

8 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	185,302	233,571
Adjustments in respect of prior periods	(3,108)	(28,783)
	<u>182,194</u>	<u>204,788</u>

RAPID ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

8 Taxation (Continued)

Deferred tax

Origination and reversal of timing differences	1,478	3,664
Adjustment in respect of prior periods	2,781	1,070
	<u>4,259</u>	<u>4,734</u>
Total deferred tax		
	<u>4,259</u>	<u>4,734</u>
Total tax charge	<u>186,453</u>	<u>209,522</u>

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	<u>954,904</u>	<u>1,244,278</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	181,432	236,413
Tax effect of expenses that are not deductible in determining taxable profit	159	931
Adjustments in respect of prior years	(3,108)	(27,713)
Deferred tax adjustments in respect of prior years	2,781	-
Changes in tax rate	4,694	(431)
Fixed asset timing differences	495	322
	<u>186,453</u>	<u>209,522</u>
Taxation charge for the year		
	<u>186,453</u>	<u>209,522</u>

9 Dividends

	2020 £	2019 £
Interim paid	<u>520,721</u>	<u>952,875</u>

RAPID ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

10 Intangible fixed assets

	Purchased computer software £
Cost	
At 1 January 2020	583,664
Disposals	(36,137)
At 31 December 2020	<u>547,527</u>
Amortisation and impairment	
At 1 January 2020	544,326
Amortisation charged for the year	8,306
Disposals	(36,137)
At 31 December 2020	<u>516,495</u>
Carrying amount	
At 31 December 2020	<u>31,032</u>
At 31 December 2019	<u>39,338</u>

The amortisation of intangible assets is included within administrative expenses.

11 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Total £
Cost			
At 1 January 2020	18,825	1,808,496	1,827,321
Additions	36,346	83,792	120,138
Disposals	-	(206,097)	(206,097)
At 31 December 2020	<u>55,171</u>	<u>1,686,191</u>	<u>1,741,362</u>
Depreciation and impairment			
At 1 January 2020	15,430	1,453,905	1,469,335
Depreciation charged in the year	3,764	58,325	62,089
Eliminated in respect of disposals	-	(198,261)	(198,261)
At 31 December 2020	<u>19,194</u>	<u>1,313,969</u>	<u>1,333,163</u>
Carrying amount			
At 31 December 2020	<u>35,977</u>	<u>372,222</u>	<u>408,199</u>
At 31 December 2019	<u>3,395</u>	<u>354,591</u>	<u>357,986</u>

RAPID ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

12 Stocks		2020	2019
		£	£
Finished goods and goods for resale		4,379,217	4,649,906
		<u> </u>	<u> </u>
13 Debtors		2020	2019
Amounts falling due within one year:		£	£
Trade debtors		2,190,613	2,176,612
Corporation tax recoverable		10,156	-
Amounts owed by group undertakings		1,030,989	879,158
Other debtors		31,809	17,593
Prepayments and accrued income		105,424	97,349
		<u> </u>	<u> </u>
		3,368,991	3,170,712
		<u> </u>	<u> </u>
14 Creditors: amounts falling due within one year		2020	2019
		£	£
Trade creditors		2,255,586	2,029,751
Amounts owed to group undertakings		52,316	20,320
Corporation tax		-	91,887
Other taxation and social security		577,248	306,367
Other creditors		31,823	27,857
Accruals and deferred income		605,414	350,369
		<u> </u>	<u> </u>
		3,522,387	2,826,551
		<u> </u>	<u> </u>
15 Provisions for liabilities		2020	2019
	Notes	£	£
Deferred tax liabilities	16	41,374	37,115
		<u> </u>	<u> </u>

RAPID ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

16 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2020 £	Liabilities 2019 £
Balances:		
Accelerated capital allowances	63,492	47,610
Other timing differences	(22,118)	(10,495)
	<u>41,374</u>	<u>37,115</u>
		2020 £
Movements in the year:		
Liability at 1 January 2020		37,115
Charge to profit or loss		4,259
		<u>41,374</u>
Liability at 31 December 2020		<u>41,374</u>

The deferred tax liability is expected to decrease by £22,118 in the next 12 months.

17 Share capital

	2020 £	2019 £
Ordinary share capital issued and fully paid		
810,002 Ordinary shares of £1 each	<u>810,002</u>	<u>810,002</u>

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

18 Reserves

Profit and loss reserve

The profit and loss reserve represents the cumulative profit and loss net of distribution to owners.

RAPID ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

19 Retirement benefit schemes

	2020	2019
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	194,828	188,498

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions totalling £24,079 (2019: £24,178) were payable to the fund at the year end and are included in creditors.

20 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for land and buildings, office equipment and motor vehicles.

At the reporting end date, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	343,429	294,329
Between two and five years	1,616,817	32,246
In over five years	1,253,333	-
	<u>3,213,579</u>	<u>326,575</u>

21 Financial commitments, guarantees and contingent liabilities

The company is contingently liable for £20,000 (2019: £20,000) in respect of an H.M. Revenue and Customs duty deferment guarantee given to enable release of imports prior to payment of duty.

22 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2020	2019
	£	£
Acquisition of tangible fixed assets	4,020	7,384

RAPID ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

23 Ultimate controlling party

The ultimate parent company is Conrad Electronic Regensburg GmbH & Co. KG, a company registered in Germany, which is the parent company of the largest group which will include the company in their consolidated accounts. The registered office of Conrad Electronic Regensburg GmbH & Co. KG is Klaus Conrad Strasse 1, 92240 Hirschau, Germany.

The immediate parent company is Rapid Electronics Holdings Limited, which is the smallest group for which consolidated accounts are prepared including Rapid Electronics Limited. The consolidated accounts of Rapid Electronics Holdings Limited are available to the public and can be obtained from Companies House. The registered office of Rapid Electronics Holdings Limited is Severalls Hall, Severalls Lane, Colchester, Essex, CO4 5JS.

There is deemed to be no ultimate controlling party due to the spread of shareholdings in the ultimate parent company.