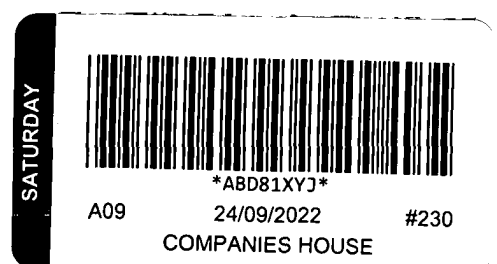


Company Registration No. 06863317 (England and Wales)

SWIFT INDUSTRIAL SUPPLIES LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



SWIFT INDUSTRIAL SUPPLIES LTD

COMPANY INFORMATION

Directors Mr B Prisgrove (Appointed 19 October 2021)
 Mr D J Prisgrove (Appointed 19 October 2021)

Company number 06863317

Registered office Corporate House
 Kings Road Industrial Estate
 Haslemere
 Surrey
 United Kingdom
 GU27 2QH

Auditor Azets Audit Services
 Ashcombe Court
 Woolsack Way
 Godalming
 Surrey
 United Kingdom
 GU7 1LQ

SWIFT INDUSTRIAL SUPPLIES LTD

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 6
Statement of income and retained earnings	7
Balance sheet	8
Statement of cash flows	9
Notes to the financial statements	10 - 23

SWIFT INDUSTRIAL SUPPLIES LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report for the year ended 31 December 2021.

Fair review of the business

Whilst 2021 was still a strong year for the company, sales dropped off marginally compared with the 2020 "Covid year". This was as expected as Covid restrictions eased throughout the UK however many government Covid programmes continued into 2022, meaning sales did not reduce as much as forecast.

The company was bought by a fellow competitor in October 2021. Operations were only marginally disrupted during the final quarter of the year due to the change in management and processes.

Since this time, the group, headed by Grove Global Holdings, has invested heavily in IT and digital infrastructure in order that Swift's operations can be successfully merged under SMI's well-known brand name.

We hope to continue to offer the same high level of service to all our customers now under one brand with added efficiency and high levels of customer service, whilst being mindful of our carbon footprint and impact on the environment.

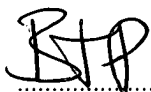
	Unit	2021	2020
Sales	£000	11,959	13,062
Gross profit	£000	3,369	4,044
Net profit before tax	£000	1,013	1,289

Principal risks and uncertainties

Supply chain was and still is a real challenge to the company with long shipping delays and huge price increases. These problems are likely to continue throughout the year and it could be quite a while before we see an end to these issues, particularly due to high levels of inflation and wider economic and social crises. With the increased cost of raw materials and shipping costs, we are likely to feel a squeeze on our margins in the months ahead.

Due to the pressures on the global supply chain last year, we have made strategic moves to spread our sourcing options across an increased number of countries. This will give us much stronger supply routes in the long run and lesson the risk by relying on just one region.

On behalf of the board



Mr B Prigrove
Director

Date: 22/08/22

SWIFT INDUSTRIAL SUPPLIES LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the company continued to be the manufacture and distribution of protective clothing.

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

V M James	(Resigned 19 October 2021)
P D James	(Resigned 19 October 2021)
A R James	(Resigned 19 October 2021)
Mr B Prisgrove	(Appointed 19 October 2021)
Mr D J Prisgrove	(Appointed 19 October 2021)

Post reporting date events

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

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

SWIFT INDUSTRIAL SUPPLIES LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

On behalf of the board



.....
Mr B Prisgrove
Director

Date: 22/08/22

SWIFT INDUSTRIAL SUPPLIES LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SWIFT INDUSTRIAL SUPPLIES LTD

Opinion

We have audited the financial statements of Swift Industrial Supplies Ltd (the 'company') for the year ended 31 December 2021 which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows 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 2021 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 directors with respect to going concern are described in the relevant sections of this report.

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

SWIFT INDUSTRIAL SUPPLIES LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SWIFT INDUSTRIAL SUPPLIES LTD

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 directors' 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 directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

SWIFT INDUSTRIAL SUPPLIES LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SWIFT INDUSTRIAL SUPPLIES LTD

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

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

Azets Audit Services

Jeremy Gardner BSc FCA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

Date: *22 August 2022*

Chartered Accountants
Statutory Auditor

Ashcombe Court
Woolsack Way
Godalming
Surrey
United Kingdom
GU7 1LQ

SWIFT INDUSTRIAL SUPPLIES LTD

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
	Notes	£	as restated £
Turnover	3	11,959,263	13,062,990
Cost of sales		(8,590,339)	(9,019,027)
Gross profit		3,368,924	4,043,963
Administrative expenses		(2,355,994)	(2,753,662)
Operating profit	4	1,012,930	1,290,301
Interest receivable and similar income	7	81	642
Interest payable and similar expenses	8	-	(2,109)
Profit before taxation		1,013,011	1,288,834
Tax on profit	9	(203,072)	(248,050)
Profit for the financial year		809,939	1,040,784
Retained earnings brought forward		4,652,688	3,897,904
Dividends	10	-	(286,000)
Retained earnings carried forward		<u>5,462,627</u>	<u>4,652,688</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

SWIFT INDUSTRIAL SUPPLIES LTD

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Intangible assets	11		70,792		290,099
Tangible assets	12		89,329		122,455
			<u>160,121</u>		<u>412,554</u>
Current assets					
Stocks	13	1,256,445		1,988,431	
Debtors	14	4,992,619		2,814,946	
Cash at bank and in hand		890,220		2,888,584	
			<u>7,139,284</u>	<u>7,691,961</u>	
Creditors: amounts falling due within one year	15	(1,798,648)		(3,393,855)	
Net current assets			<u>5,340,636</u>		<u>4,298,106</u>
Total assets less current liabilities			<u>5,500,757</u>		<u>4,710,660</u>
Creditors: amounts falling due after more than one year	16		(25,632)		(34,230)
Provisions for liabilities					
Deferred tax liability	19	12,248		23,492	
			<u>(12,248)</u>	<u>23,492</u>	<u>(23,492)</u>
Net assets			<u>5,462,877</u>		<u>4,652,938</u>
Capital and reserves					
Called up share capital	21		250		250
Profit and loss reserves			5,462,627		4,652,688
Total equity			<u>5,462,877</u>		<u>4,652,938</u>

The financial statements were approved by the board of directors and authorised for issue on 22/08/22 and are signed on its behalf by:



Mr B Prisgrove
Director

Company Registration No. 06863317

SWIFT INDUSTRIAL SUPPLIES LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	27		(1,150,318)		2,622,544
Interest paid			-		(2,109)
Income taxes paid			(295,378)		(94,215)
			<u> </u>		<u> </u>
Net cash (outflow)/inflow from operating activities			(1,445,696)		2,526,220
Investing activities					
Purchase of intangible assets		(5,393)		(29,550)	
Purchase of tangible fixed assets		-		(84,696)	
Proceeds on disposal of tangible fixed assets		4,274		2,222	
Interest received		81		642	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(1,038)		(111,382)
Financing activities					
Proceeds from borrowings		-		543,032	
Repayment of borrowings		(543,032)		(102,410)	
Payment of finance leases obligations		(8,598)		42,828	
Dividends paid		-		(286,000)	
		<u> </u>		<u> </u>	
Net cash (used in)/generated from financing activities			(551,630)		197,450
			<u> </u>		<u> </u>
Net (decrease)/increase in cash and cash equivalents			(1,998,364)		2,612,288
Cash and cash equivalents at beginning of year			2,888,584		276,296
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			890,220		2,888,584
			<u> </u>		<u> </u>

SWIFT INDUSTRIAL SUPPLIES LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Swift Industrial Supplies Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Corporate House, Kings Road Industrial Estate, Haslemere, Surrey, United Kingdom, GU27 2QH.

1.1 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.

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

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

1.2 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. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

SWIFT INDUSTRIAL SUPPLIES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

Computer Software	Straight line basis from January and August 2018 to March 2022
Trademarks	33% straight line

1.6 Tangible fixed assets

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

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

Leasehold improvements	33% straight line
Plant and equipment	33% straight line
Office Equipment	20 % reducing balance
Motor vehicles	25% reducing balance

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.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

SWIFT INDUSTRIAL SUPPLIES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.9 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 in the company's balance sheet 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 debtors and cash and bank balances, 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, 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. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal 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 are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

SWIFT INDUSTRIAL SUPPLIES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

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

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.10 Equity instruments

Equity instruments issued by the company are recorded at the 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.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

SWIFT INDUSTRIAL SUPPLIES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Judgements and key sources of estimation uncertainty

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

3 Turnover and other revenue

	2021	As restated 2020
	£	£
Turnover analysed by geographical market		
United Kingdom	11,937,256	13,004,890
Rest of Europe	17,947	30,274
Rest of the world	4,060	27,826
	<u>11,959,263</u>	<u>13,062,990</u>

SWIFT INDUSTRIAL SUPPLIES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

4 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(531)	(6,199)
Depreciation of owned tangible fixed assets	21,057	35,406
Depreciation of tangible fixed assets held under finance leases	11,793	3,164
(Profit)/loss on disposal of tangible fixed assets	(3,998)	2,666
Amortisation of intangible assets	224,700	232,590
Operating lease charges	34,418	43,588
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	20,000	20,235
	<u> </u>	<u> </u>

6 Employees

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

	2021	2020
	Number	Number
Office	32	35
Production	10	6
Despatch	14	18
	<u> </u>	<u> </u>
Total	56	59
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	2,117,551	1,949,610
Social security costs	193,988	188,512
Pension costs	45,055	30,927
	<u> </u>	<u> </u>
	2,356,594	2,169,049
	<u> </u>	<u> </u>

SWIFT INDUSTRIAL SUPPLIES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7	Interest receivable and similar income	2021	2020
		£	£
	Interest income		
	Interest on bank deposits	81	642
		<u>81</u>	<u>642</u>
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	81	642
		<u>81</u>	<u>642</u>
8	Interest payable and similar expenses	2021	2020
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	-	400
	Other interest on financial liabilities	-	1,709
		<u>-</u>	<u>2,109</u>
		<u>-</u>	<u>2,109</u>
9	Taxation	2021	2020
		£	£
	Current tax		
	UK corporation tax on profits for the current period	194,551	266,895
	Adjustments in respect of prior periods	(1,677)	(17,243)
	Total current tax	<u>192,874</u>	<u>249,652</u>
	Deferred tax		
	Origination and reversal of timing differences	10,198	(1,602)
		<u>10,198</u>	<u>(1,602)</u>
	Total tax charge	<u>203,072</u>	<u>248,050</u>

SWIFT INDUSTRIAL SUPPLIES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	1,013,011	1,288,834
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	192,472	244,878
Tax effect of expenses that are not deductible in determining taxable profit	2,067	6,726
Under/(over) provided in prior years	(1,677)	(17,243)
Movement in provision	-	(5,937)
Deferred tax	(11,244)	(1,602)
Capital allowances in excess of depreciation	21,454	21,228
Taxation charge for the year	203,072	248,050

10 Dividends

	2021 £	2020 £
Final paid	-	286,000

11 Intangible fixed assets

	Computer Software £	Trademarks £	Total £
Cost			
At 1 January 2021	847,332	-	847,332
Additions	4,740	653	5,393
At 31 December 2021	852,072	653	852,725
Amortisation and impairment			
At 1 January 2021	557,233	-	557,233
Amortisation charged for the year	224,573	127	224,700
At 31 December 2021	781,806	127	781,933
Carrying amount			
At 31 December 2021	70,266	526	70,792
At 31 December 2020	290,099	-	290,099

SWIFT INDUSTRIAL SUPPLIES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

12 Tangible fixed assets

	Leasehold improvements £	Plant and equipment £	Office Equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2021	426,152	278,561	274,408	52,845	1,031,966
Disposals	-	-	-	(2,219)	(2,219)
At 31 December 2021	426,152	278,561	274,408	50,626	1,029,747
Depreciation and impairment					
At 1 January 2021	426,152	272,320	205,858	5,181	909,511
Depreciation charged in the year	-	4,010	17,047	11,793	32,850
Eliminated in respect of disposals	-	-	-	(1,943)	(1,943)
At 31 December 2021	426,152	276,330	222,905	15,031	940,418
Carrying amount					
At 31 December 2021	-	2,231	51,503	35,595	89,329
At 31 December 2020	-	6,241	68,550	47,664	122,455

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2021 £	2020 £
Motor vehicles	35,595	47,463

13 Stocks

	2021 £	2020 £
Finished goods and goods for resale	1,256,445	1,988,431

14 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	2,011,082	1,801,373
Amounts owed by group undertakings	2,895,081	768,113
Other debtors	780	188,691
Prepayments and accrued income	85,676	56,769
	4,992,619	2,814,946

SWIFT INDUSTRIAL SUPPLIES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

15 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Obligations under finance leases	18	8,598	8,598
Other borrowings	17	-	543,032
Trade creditors		806,366	974,397
Amounts owed to group undertakings		-	88,152
Corporation tax		215,993	297,055
Other taxation and social security		393,353	1,140,067
Other creditors		4,877	4,277
Accruals and deferred income		369,461	338,277
		<u>1,798,648</u>	<u>3,393,855</u>

16 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Obligations under finance leases	18	<u>25,632</u>	<u>34,230</u>

17 Loans and overdrafts

	2021 £	2020 £
Other loans	<u>-</u>	<u>543,032</u>
Payable within one year	<u>-</u>	<u>543,032</u>

18 Finance lease obligations

	2021 £	2020 £
Future minimum lease payments due under finance leases:		
Within one year	8,598	8,598
In two to five years	25,632	34,230
	<u>34,230</u>	<u>42,828</u>

SWIFT INDUSTRIAL SUPPLIES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2021 £	Liabilities 2020 £
Balances:		
Accelerated capital allowances	12,894	26,014
Short term timing differences	(646)	(2,522)
	<u>12,248</u>	<u>23,492</u>
		2021
Movements in the year:		£
Liability at 1 January 2021		23,492
Credit to profit or loss		(11,244)
		<u>12,248</u>

20 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	45,055	30,927

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 £4,877 (2020 - £8,507) were payable to the fund at the reporting date and are included in creditors.

21 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	250	250	250	250

SWIFT INDUSTRIAL SUPPLIES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

22 Financial commitments, guarantees and contingent liabilities

The company, along with its intermediary parent SMI Int Group Limited, have guaranteed borrowings of £1,515,847 at 31 December 2021 (2020 - £nil) of the ultimate parent, as part of the HSBC unlimited multilateral guarantee.

The company, along with its ultimate parent Grove Global Holdings Limited, have guaranteed borrowings of £3,362,727 at 31 December 2021 (2020 - £nil) of the intermediary parent SMI Int Group Limited, as part of the HSBC unlimited multilateral guarantee.

23 Operating lease commitments

Lessee

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:

	2021	2020
	£	£
Within one year	-	10,072
Between two and five years	-	34,230
	<u>-</u>	<u>44,302</u>
	<u>-</u>	<u>44,302</u>

25 Directors' transactions

At the year end the directors owed the company £nil (2020 the former directors owed the company £188,689). The amount outstanding at the 31 December 2020 was repaid on 30 September 2021.

26 Ultimate controlling party

The ultimate controlling party is Grove Global Holdings Limited.

SWIFT INDUSTRIAL SUPPLIES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

27 Cash (absorbed by)/generated from operations	2021	2020
	£	£
Profit for the year after tax	809,939	1,040,784
Adjustments for:		
Taxation charged	203,072	248,050
Finance costs	-	2,109
Investment income	(81)	(642)
(Gain)/loss on disposal of tangible fixed assets	(3,998)	2,666
Amortisation and impairment of intangible assets	224,700	233,701
Depreciation and impairment of tangible fixed assets	32,850	38,570
Movements in working capital:		
Decrease/(increase) in stocks	731,986	(32,927)
(Increase)/decrease in debtors	(2,177,673)	279,207
(Decrease)/increase in creditors	(971,113)	811,026
Cash (absorbed by)/generated from operations	(1,150,318)	2,622,544

28 Analysis of changes in net funds	1 January	Cash flows	31 December
	2021		2021
	£	£	£
Cash at bank and in hand	2,888,584	(1,998,364)	890,220
Borrowings excluding overdrafts	(543,032)	543,032	-
Obligations under finance leases	(42,828)	8,598	(34,230)
	<u>2,302,724</u>	<u>(1,446,734)</u>	<u>855,990</u>

29 Prior period adjustment

Reconciliation of changes in equity

The prior period adjustments do not give rise to any effect upon equity.

Reconciliation of changes in profit for the previous financial period

	2020
	£
Total adjustments	-
Profit as previously reported	1,040,784
Profit as adjusted	<u>1,040,784</u>

SWIFT INDUSTRIAL SUPPLIES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

29 Prior period adjustment

(Continued)

Notes to reconciliation

Volume rebates & Customer discounts

In the prior year £156,442 of volume rebates and customer discounts had been incorrectly included in cost of sales rather than being offset against turnover. The restatement decreased turnover by £156,442 from £13,219,432 to £13,062,990 and decreased cost of sales by £156,442 from £9,175,469 to £9,019,027.