

Company Registration No. 00832994

Swift Group Limited

Report and Financial Statements

For year ended 31 August 2018



Swift Group Limited

Report and financial statements 2018

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Swift Group Limited

Report and financial statements 2018

Officers and professional advisers

Directors

J S Turner
A Archer
N J Page
A Spacey
C Milburn
G Raper
R Smeaton

Company Secretary

R Smeaton

Registered Office

Dunswell Road
Cottingham
East Yorkshire
HU16 4JX

Auditor

Deloitte LLP
Statutory Auditor
Leeds
United Kingdom

Swift Group Limited

Strategic report

Principal activity and business review

The principal activity of the business is the manufacture of touring caravans, motorhomes and holiday homes and the servicing of their after sales requirements together with motorhome rental. The directors are not aware, at the date of this report, of any likely major changes in the company's activities next year.

The directors are very pleased with the performance of the company which resulted in an operating profit before exceptionals of £20.1m (2017: £20.3m). This enables continued investment in our people, systems and capital equipment to ensure our products continue to lead the industry. We believe that we are well positioned in what remains a very competitive industry.

The balance sheet on page 11 of the financial statements sets out the company financial position at the year end. Overall the financial position of the company shows net assets of £38.0m (2017: £35.5m) and cash of £8.0m (2017: £16.1m) which provides a strong foundation for the future of the company.

The outlook for the coming year is more difficult to predict given uncertainties created by Brexit. However, the company's product line up and service offering is well placed to compete, and the order book position is positive. Our budgets for the forthcoming year appropriately reflect the challenges expected.

The directors continue to take their Health and Safety obligations extremely seriously. These obligations extend not only to health and safety in the workplace, but also to safety on site.

Results and dividends

The operating profit before exceptionals for the year before taxation amounts to £20.1m (2017: £20.3m). Following adoption of FRS 102 for the first time for the 2016 financial statements, the company recognises financial instruments (forward foreign exchange contracts) on its balance sheet at fair value. The fair value is determined by the counterparty banks using commonly accepted valuation techniques and movement in this fair value, which is a non cash item, is recognised through the profit and loss account below the operating result. In the current year the loss is £3.8m (2017 £1.5m loss) relating to the movement in fair value of these instruments. The significant variance year on year reflects the performance of Sterling versus the Euro given market uncertainty and volatility.

A dividend of £8.5m (2017: £8.5m) was paid in the year to the parent company.

Principal risks and uncertainties

Competitor Risk: Competitive pressure in the UK is a continuing risk for the company and the group. The company and group manage this risk by being flexible and responsive to market demands, by maintaining strong relationships with dealers by having as comprehensive a product and service portfolio as possible and by continuing to invest in design and engineering to ensure our products remain market leading.

Commercial Relationships: The company and group benefits from close commercial relationships with dealers and suppliers. Damage to or loss of any of these relationships could have a direct and detrimental effect on the results. To manage this risk periodic supplier and dealer reviews are held to identify issues of concern, and maintain very open lines of communication with these parties. Swift maintain a dealer standards programme which provides comprehensive manufacturer support for all aspects of our dealers operations to enhance the retailer customer experience.

Foreign Exchange: The group purchases a substantial amount of material from Europe and takes out a variety of hedging contracts to manage this risk. Due to an extended period of volatility, this approach is key to providing a stable platform for us, our suppliers, our dealers and our end retail customers.

Brexit: Following the results of the EU referendum vote, the full impact on the UK remains uncertain.

For all key elements within the company's control, significant proactive steps are taken on an ongoing basis to ensure that international supplier relationships remain strong, that the company continues to focus on and explore international sales and market opportunities, and that the company and group has cover in place for its Euro currency exposure for a significant period into the future to avoid volatility in the cost base. However, significant uncertainty remains.

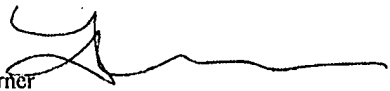
Swift Group Limited

Strategic report

Going concern

We acknowledge guidance on going concern for companies preparing financial statements. The company has significant cash resources and is forecasting to trade profitably for the next 12 months. As a consequence, the directors believe that the company is well placed to manage its business risks successfully for the foreseeable future despite the continuing uncertain economic outlook.

The directors have a reasonable expectation that the company and group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.



J Turner
Director
18th February 2019

Swift Group Limited

Directors' report

The Directors present their annual report and the audited financial statements for the year ended 31 August 2018.

Directors

The present directors of the company who served throughout the year and subsequently are listed on page 1.

Research and development

The company has a continuing programme of improvement to the design of its caravans, motorhomes and holiday homes and to its manufacturing processes. The company shall remain at the forefront of caravan, motorhome and holiday home design and product innovation. The company also makes use of new technology, upgrading its information and controls systems on a continuous basis. The company commits significant sums (in excess of £2m per annum on an annual recurring basis) to Research and Development spend to ensure that products remain at the forefront of the sectors in which we operate.

Donations

The company has made charitable gifts during the year of £12k (2017: £9k). The company made no political donations in the year (2017: £nil).

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned and the demands of the specific role. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate support and training is provided. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The policy of the group is to keep employees fully informed on matters of concern to them through an established and ongoing communication process. The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings, the monthly communication brief and the annual company preview presentation. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Future Developments

Indication of future developments and uncertainties have been covered in the Strategic Report along with dividends paid and proposed in the year.

Disclosure of relevant information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that the director ought to have taken as director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Going concern

The directors' assessment of going concern has been detailed in the strategic report on page 3.

Swift Group Limited

Directors' report

Auditor

The company in general meeting has adopted a resolution to dispense with the obligation to appoint an auditor annually.

Approved by the Board of Directors
and signed on behalf of the Board

A handwritten signature in black ink, appearing to be 'J Turner', with a long horizontal flourish extending to the right.

J Turner
Director
18th February 2019

Swift Group Limited

Directors' responsibilities statement

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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Swift Group Limited

Independent auditor's report to the members of Swift Group Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Swift Group Limited (the 'company') which comprise:

- the profit and loss account;
- the statement of changes in equity;
- the balance sheet; and
- the related notes 1 to 21.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Swift Group Limited

Independent auditor's report to the members of Swift Group Limited

Other information

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

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

We have nothing to report in respect of these matters.

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 for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

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 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.

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 any material misstatements in the strategic report or the directors' report.

Swift Group Limited

Independent auditor's report to the members of Swift Group Limited

Matters on which we are required to report by exception

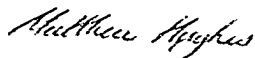
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

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.



Matthew Hughes, BSc (Hons), ACA, (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Leeds, United Kingdom
18 February 2019

Swift Group Limited

Profit and loss account Year ended 31 August 2018

	Note	2018 £'000	2017 £'000
Turnover	2	287,787	271,440
Cost of sales		(247,549)	(232,453)
Gross profit		40,238	38,987
Administrative expenses		(20,126)	(18,705)
Operating profit		20,112	20,282
Exceptional Items	21	(670)	-
Operating profit after exceptional items	3	19,442	20,282
Finance costs (net)	6	(2,274)	(2,006)
Movement in fair value of financial instruments	19	(3,753)	(1,455)
Profit before taxation		13,415	16,821
Tax on Profit	7	(2,444)	(3,068)
Profit for the financial year attributable to the equity shareholders of the company		10,971	13,753

The results of the company during 2018 and 2017 arose from continuing operations.

There are no other items of comprehensive income or expense for the current or preceding financial year, other than the profit attributable to shareholders of the company of £11.0m in the year ended 31 August 2018 (2017: £13.8m) and consequently a separate statement of other comprehensive income has not been presented.

The accompanying notes are an integral part of this profit and loss account.

Statement of changes in equity For the year ended 31 August 2018

	Note	Share capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
At 1 September 2016		100	30,145	30,245
Profit attributable to members of the company		-	13,753	13,753
Dividend	8	-	(8,500)	(8,500)
At 31 August 2017		100	35,398	35,498
Profit attributable to members of the company		-	10,971	10,971
Dividend	8	-	(8,500)	(8,500)
At 31 August 2018		100	37,869	37,969

Swift Group Limited

Balance sheet As at 31 August 2018

	Note	2018 £'000	2017 £'000
Tangible fixed assets	9	14,424	7,826
Current assets			
Stocks	10	26,041	23,494
Debtors	11	38,911	33,114
Cash at bank and in hand		7,974	16,093
		72,926	72,701
Creditors: amounts falling due within one year	12	(44,111)	(35,660)
Net current assets		28,815	37,041
Total assets less current liabilities		43,239	44,867
Provisions for liabilities	13	(5,270)	(9,369)
		37,969	35,498
Capital and reserves			
Called up share capital	14	100	100
Profit and loss account		37,869	35,398
Shareholders' funds		37,969	35,498

The financial statements of Swift Group Limited, registered number 00832994, were approved by the board of directors and authorised for issue on 18th February 2019.

Signed on behalf of the Board of Directors

J Turner
Director



R Smeaton
Director



The accompanying notes are an integral part of this balance sheet.

Swift Group Limited

Notes to the financial statements For the Year ended 31 August 2018

1. Accounting policies

General information and basis of preparation

A summary of the principal accounting policies, which have been applied consistently throughout the year and the preceding year are set out below.

Swift Group Limited ("the company") is a company incorporated in the United Kingdom under the Companies Act. The company is a private company limited by shares and is registered in England and Wales. The address of the company's registered office is shown on page 1. The nature of the company's operations and its principal activities are set out in the strategic report on page 2 and 3.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the company is considered to be Pounds Sterling because that is the currency of the primary economic environment in which the company operates.

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to presentation of a cash flow statement and related party transactions.

The financial statements are prepared on the going concern basis as described in the Strategic Report and in accordance with applicable United Kingdom law and accounting standards.

Tangible fixed assets

Tangible fixed assets are held at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life as follows:

Leasehold improvements	In equal annual instalments over the remaining life of the lease or the life of the asset if shorter
Plant and equipment	3 to 8 years
Motor vehicles	3 - 8 years

The carrying values of fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

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, or a right to pay less, tax in the future have occurred at the balance sheet date, with the following exceptions:

- Provision is made for gains on disposal of fixed assets that have been rolled over into replacement assets only where, at the balance sheet date, there is a commitment to dispose of the replacement assets with no likely subsequent rollover or available capital losses.
- Provision is made for gains on revalued fixed assets only where there is a commitment to dispose of the revalued assets and the attributable gain can neither be rolled over or eliminated by capital losses.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

Swift Group Limited

Notes to the financial statements For the Year ended 31 August 2018

1. Accounting policies (continued)

Provisions

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

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.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(i) Derivative financial instruments

The company uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The company does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately.

(ii) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties following the transfer of the relevant rights of ownership. Turnover and pre-tax profit are attributable to the manufacture of caravans, motorhomes and holiday homes and the servicing of their after-sales requirements.

Swift Group Limited

Notes to the financial statements (continued) Year ended 31 August 2018

1. Accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and net realisable value. In the case of finished goods and work in progress, cost comprises direct materials and labour plus attributable overheads based on the normal level of activity. Cost is calculated using the FIFO (first-in, first-out) method. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

Provision is made for obsolete, slow-moving or defective items where appropriate.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates of exchange prevailing at that date.

Leasing commitments

Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease.

Pensions

The company contributes to the defined contribution pension arrangements of certain employees. Contributions are charged to the profit and loss account as they become payable. The assets of the scheme are held separately from those of the company in a Group Personal Pension Plan.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies described above the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

Determining the appropriate levels of provision for manufacturer's guarantees requires judgement regarding an estimation of the levels of such costs in the future, which the Directors believe to be a critical accounting judgement. 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 if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The Directors believe there to be no key sources of estimation uncertainty.

2. Turnover

An analysis of turnover by geographical market is given below:

	2018 £'000	2017 £'000
United Kingdom	264,485	255,366
Rest of Europe	15,635	10,280
Rest of World	7,667	5,794
	<u>287,787</u>	<u>271,440</u>

Swift Group Limited

Notes to the financial statements (continued) Year ended 31 August 2018

3. Operating profit

	2018 £'000	2017 £'000
This is stated after charging/(crediting):		
Cost of stock recognised as an expense	204,313	191,713
Depreciation of fixed assets	2,664	2,333
Research and development	2,842	2,073
Property rental payable	3,149	3,039
Property rental receivable	(67)	(133)
Employment termination costs	7	127
Auditor's remuneration		
- for the audit of the Company's financial statements	43	48
- non-audit services	-	30
Profit arising on the sale of tangible fixed assets	(35)	(14)

4. Directors' remuneration

The directors' remuneration is borne by the parent company Swift Acquisitions Limited, for the services of the directors to all group companies. The remuneration directly attributable to Swift Group Limited is as follows:

	2018 £'000	2017 £'000
Total		
Aggregate emoluments	621	663
Company pension contributions to defined contribution scheme	42	44
	<u>663</u>	<u>707</u>
Highest paid director:		
Aggregate emoluments	218	225
Company pension contributions to defined contribution scheme	15	15
	<u>233</u>	<u>240</u>

Swift Group Limited

Notes to the financial statements (continued) Year ended 31 August 2018

5. Staff costs

	2018 £'000	2017 £'000
Employee costs during the year amounted to:		
Wages and salaries	34,410	32,727
Social security costs	3,294	3,215
Other pension costs	629	504
	<u>38,333</u>	<u>36,446</u>

The average monthly number of persons employed by the company during the year was made up as follows:

	2018 Number	2017 Number
Administration	275	257
Production	946	903
	<u>1,221</u>	<u>1,160</u>

6. Finance costs (net)

	2018 £'000	2017 £'000
Short term deposits	33	15
Other interest	(2,307)	(2,021)
	<u>(2,274)</u>	<u>(2,006)</u>

Other interest comprises interest charged by finance houses in respect of advances against dealer credit lines and invoicing and dealer stocking facility interest charges.

7. Taxation

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2018 £'000	2017 £'000
Current tax		
- Corporation tax	3,205	3,571
- Adjustments relating to prior years	(253)	(140)
Deferred tax	2,952	3,431
- Origination and reversal of timing differences	(525)	(406)
- Effect of change of tax rates	-	33
- Adjustments in respect of previous period	17	10
Tax on profit on ordinary activities	<u>2,444</u>	<u>3,068</u>

Finance Act No.2 2015, which was substantively enacted on 26 October 2015, includes provisions to reduce the corporation tax rate from 20% to 19% with effect from 1 April 2016 and 18% with effect from 1 April 2020. Accordingly these rates have been applied when calculating deferred tax assets and liabilities as at 31 August 2018.

In addition, Finance Bill 2016 was substantively enacted on 6 September 2016 which introduced a further reduction in the main rate of corporation tax from 18% to 17% from 1 April 2020.

Swift Group Limited

Notes to the financial statements (continued) Year ended 31 August 2018

10. Stocks

	2018 £'000	2017 £'000
Raw materials and consumables	5,681	5,718
Work-in-progress	5,811	5,369
Finished goods	14,549	12,407
	<u>26,041</u>	<u>23,494</u>

11. Debtors – Amounts due within one year

	2018 £'000	2017 £'000
Trade debtors	20,966	25,750
Amounts owed by group undertakings	14,130	-
Prepayments	2,246	2,496
Derivative financial assets	1,569	4,868
	<u>38,911</u>	<u>33,114</u>

12. Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Trade creditors	36,254	29,908
Amounts owed to group undertakings	274	220
Corporation tax	2,748	1,217
Social security and other taxes	1,390	1,366
Accruals	2,749	2,707
Derivative financial liabilities	696	242
	<u>44,111</u>	<u>35,660</u>

The amounts owed to group undertakings are repayable on demand and as such do not bear interest.

13. Provision for liabilities

	Deferred tax £'000	Manufacturer's guarantee £'000	Total £'000
At 1 September 2017	599	8,770	9,369
Net movement in the year	(508)	(3,591)	(4,099)
At 31 August 2018	<u>91</u>	<u>5,179</u>	<u>5,270</u>

A provision is recognised for manufacturer's guarantees on touring caravans, motorhomes and holiday homes sold. The Directors expect this will be utilised over three years.

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Notes to the financial statements (continued) Year ended 31 August 2018

13. Provision for liabilities (continued)

	2018 £'000	2017 £'000
Deferred tax (liability)/ asset		
Accelerated capital allowances	(23)	(157)
STTDs - trading	(34)	(30)
Other timing differences	148	786
	<u>91</u>	<u>599</u>

The deferred tax liability arising on accelerated capital allowances and other timing differences has been recognised in accordance with FRS 102. There is no deferred taxation that has not been provided.

Finance Act No.2 2015, which was substantively enacted on 26 October 2015, includes provisions to reduce the corporation tax rate to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020. Accordingly these rates have been applied when calculating deferred tax assets and liabilities as at 31 August 2017. In addition, Finance Bill 2016 was substantively enacted on 6 September 2016 which introduced a further reduction in the main rate of corporation tax from 18% to 17% from 1 April 2020.

14. Called up share capital

	2018 Number	Authorised 2017 Number	Allotted, called up and fully paid 2018 £'000	2017 £'000
Ordinary shares of £1 each	<u>10,000</u>	<u>100,000</u>	<u>100</u>	<u>100</u>

15. Contingent liabilities

The group's borrowings are secured by fixed and floating charges over certain of the company's assets.

16. Other financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2018		2017	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
- Within one year	3,031	219	3,368	148
- Between one and two years	12,126	405	12,126	348
- After five years	42,440	-	45,471	-
	<u>57,597</u>	<u>624</u>	<u>60,965</u>	<u>496</u>

Swift Group Limited

Notes to the financial statements (continued) Year ended 31 August 2018

17. Capital commitments

	2018 £'000	2017 £'000
Amounts authorised and contracted but not provided for in the financial statements for property, plant and equipment.	832	917

18. Related party transactions

Mr N Page is a director of Swift Group Limited and, as such, is deemed to be a related party of the company. In the year ended 31 August 2018 a company controlled by his wife, Mrs S Page charged the company £22k (2017: £18k) for marketing services provided to the company in the normal course of business. At 31 August 2018 the company owed £nil (2017: £nil) to this company.

During the current year the company rented properties from Swift Holdings (UK) Limited, and Swift Property (East Yorkshire) Limited, companies with common directors and shareholders. Total rentals charged by Swift Holdings (UK) Limited amounted to £2,759k (2017: £2,310k) and rents charged by Swift Property (East Yorkshire) Limited amounted to £223k (2017: £223k). At the year end the balances outstanding were £nil (2017: £nil).

19. Financial instruments

The carrying values of the company's financial assets and liabilities are summarised by the category below:

	2018 £'000	2017 £'000
Financial assets		
Measured at fair value through profit and loss		
- Forward foreign currency contracts	1,569	4,868
Measured at undiscounted amount receivable		
- Trade and other debtors	37,342	28,246
	<u>38,911</u>	<u>33,114</u>
Financial liabilities		
Measured at fair value through profit and loss		
- Forward foreign currency contracts	696	242
Measured at undiscounted amount receivable		
- Trade and other creditors	40,667	34,201
	<u>41,363</u>	<u>34,443</u>

Swift Group Limited

Notes to the financial statements (continued) Year ended 31 August 2018

19. Financial instruments (continued)

The company's income, expense, gains and losses in respect of financial instruments are summarised below:

	2018 £'000	2017 £'000
Interest income and expense		
Total interest income for financial assets at amortised cost	33	15
Fair value gains and losses		
On financial assets measured at fair value through profit and loss	(3,299)	(4,507)
On financial liabilities measured at fair value through profit and loss	(454)	3,052
	<u>(3,753)</u>	<u>(1,455)</u>

Forward foreign currency contracts are valued using quoted forward exchange rates and yield curves from quoted interest rates matching maturities of the contracts. The company has not adopted the hedge accounting provisions of FRS 102.

20. Parent undertaking and ultimate parent company

The immediate parent undertaking is Swift Acquisitions Limited. The ultimate parent company and controlling party is Swift Leisure Holdings Limited. The registered office of the parent company and ultimate parent company is the same as listed on page 1.

21. Exceptional Items

	2018 £'000	2017 £'000
Closure of Hedon Road Site	627	-
Legal Costs re incident October 2017	43	-
	<u>670</u>	<u>-</u>