Company Registration No. 00832994

Swift Group Limited

Annual Report and Financial Statements

For the year ended 31 August 2022

Swift Group Limited

Annual report and financial statements for the year ended 31 August 2022

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Officers and professional advisers

Directors

J Turner
A Archer
N Page (resigned 30th September 2022)
A Spacey
C Milburn
G Raper (resigned 30th September 2021)

Registered Office

Dunswell Road
Cottingham
East Yorkshire
HU16 4JX

Auditor

Deloitte LLP
Statutory Auditor
1 City Square
Leeds
LS1 2AL

Bankers

HSBC
33 Park Row
Leeds
LS1 1LD

Solicitors

Addleshaw Goddard LLP
3 Sovereign Square
Sovereign St
Leeds
LS1 4ER

Swift Group Limited

Strategic report

Principal activity and business review

The principal activity of Swift Group Limited (the "Company") is the manufacture of Touring Caravans, Motorhomes and Holiday Homes alongside the servicing of their aftersales requirement. The Company also engages in the provision of Motorhome rental conducted from its three sites located in Manchester, Edinburgh and London. The Directors are not aware at the date of this report of any likely major changes in the Company's activities for the forthcoming year.

The latest financial year reflected a period of growth as highlighted in the overall sales performance of the Company. Aligned to its strategic objectives, the Company was able to capitalise on strong consumer demand for its product base across its chosen markets. The Company also continues to focus on the design and innovation of its products, ensuring they remain at the forefront of their respective markets and meet the needs of the consumer.

The economic and political landscape of the current financial year has provided the Company with a number of challenges, particularly in respect of the reliability of supply and rising costs of raw materials. The Company also faced challenges from the labour market following the pandemic. The Company's future growth aspirations, facilitates the need for a larger, more dynamic workforce therefore levels of recruitment in the current year were high to ensure sufficient labour resource has been recruited, trained and embedded within the Company. Employee welfare remains at the forefront of all decision making as the Company focuses on being a leading provider of employment within the local economy by providing those who work here with the necessary skills and training to maximise their potential.

Looking forward to the next financial year, the Directors believe the Company is well positioned to achieve its financial and strategic aspirations. The Company will continue to innovate products in order to meet the expectations of the changing consumer demographic post-pandemic. In addition and in order to facilitate future growth, the Company has committed to a number of capex projects to increase its overall manufacturing capacity and drive efficiency through its operations.

In the current financial year, the Company opened additional motorhome production lines to service the demand for its product. Looking forward the Company also intends to expand the capacity of its Holiday Home assembly facility through strategic investment in manufacturing machinery and technology.

That said, the outlook for the coming year is not without challenges due to the continued long terms effects of the pandemic, the conflict in Ukraine and UK economic pressures driving a high inflationary environment. Whilst some of these risks remain out of the Company's control, proactive decision making and its diversified product line up ensure the long term viability of the Swift brand across the various leisure vehicle markets it serves. In addition and aligned to all operational decisions, the Directors continue to take their Health and Safety obligations extremely seriously and remain compliant and agile when applying all necessary measures.

Results and dividends

The positive trading conditions have led to an operating profit before exceptionals of £21.4m (2021 profit: £14.3m). No dividends were declared or paid in the in the current or previous financial year.

As a result of the positive trading result, the Company's net assets amount to £52.8m (2021: £37.1m) and net current assets of £40.7m (2021: £27.6m) showing an overall strengthening of the balance sheet in comparison to the previous year.

Swift Group Limited

Strategic report

Principal risks and uncertainties

Competitor Risk: Competitive pressure in the UK is a continuing risk for the Company, especially in light of the UK cost of living crisis. With consumer spending anticipated to reduce ensuring the Swift brand remains the leading choice for consumers is of importance to the Directors. The Company manages this risk by; being agile and responsive to market demands, maintaining strong relationships with its dealer network through a transparent approach to supply and by continuing to invest in design and engineering to ensure its products remain market leading. The Company also places significant focus on its brand reputation and customer experience.

Commercial Relationships: The Company benefits from professional commercial relationships both up and down the supply chain. 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 open lines of communication. The Company maintains an Approved Dealer Programme which provides comprehensive manufacturer support to both Touring Caravan and Motorhome dealerships for the benefit of retail customers. In addition, the Company also dual sources products where appropriate in order to reduce reliance on a single party.

Foreign Exchange: The Company purchases a substantial amount of material from Europe and takes out timely hedging contracts to manage this risk. Due to an extended period of volatility, this approach is key to providing a stable platform for the Company, its suppliers, its dealers and the end retail customers. The Company's foreign exchange risks are sufficiently hedged for the upcoming financial year with instruments being taken out on a rolling basis.

Economic and political risk: Due to economic pressures facing the UK and Europe the Company must ensure it can appropriately navigate the challenges presented. This risk has both a direct and indirect impact as consumer spending reduces, alongside the increased production and increased cost of utilities caused by the conflict in Europe. To mitigate this the Company hedges its energy usage. Furthermore the Company ensures that it monitors the level of retailing activity across the sector to ensure its production volumes meet the current level of consumer demand. The Company also adopts a robust internal control environment over the monitoring of commodity prices and as such is able to respond accordingly to mitigate the impact on both profitability and cashflow.

Swift Group Limited

Strategic report

Going concern

In determining whether the Company's annual financial statements can be prepared on a going concern basis, the Directors considered the Company's business activities for a period of at least 12 months from the date of approval of these financial statements, together with the factors likely to affect its future development, performance and position. The review included the financial position of the Company, its cash flows and future profitability. The key factors considered by the Directors were as follows:

- consideration of detailed forecasts from the date of approval of the annual report and the application of sensitivities to those forecasts;
- the Directors have applied a sensitivity reflecting a reduction in turnover alongside a sensitised increases in the direct cost of production as a reasonable worst case scenario;
- the implications of the challenging economic environment and future uncertainties on the Company's revenues and profits;
- the impact of the competitive environment; and
- the potential actions that could be taken in the event that revenues are worse than expected, to ensure that operating profit and cash flows are protected.

In light of the above, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

J Turner
Director
20 December 2022

Swift Group Limited

Directors' report

The Directors present their annual report and the audited financial statements for the year ended 31 August 2022.

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 Touring Caravans, Motorhomes and Holiday Homes and to its manufacturing processes. During the year the Company has made significant strides in the development of its current product line up both for the current period and the years that follow. The Company remains at the forefront of design and innovation in its products and makes use of new technology, upgrading its information and controls systems on a continuous basis. The Company commits significant sums to Research and Development spend to ensure that products remain current and competitive in the sectors in which it operates.

Donations

The Company has made charitable gifts during the year of £44k (2021: £2k). The Company made no political donations in the year (2021: £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 become 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 Company is to keep employees fully informed 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, video briefings, the monthly communication brief and by consultation with the nominated Employee Forum.

Future Developments

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

Going concern

The Directors' assessment of going concern has been detailed in the Strategic Report on page 3.

SECR reporting

Details of the Company's Streamlined Energy and Carbon Reporting ("SECR") can be found in the consolidated financial statements of the ultimate parent company of Swift Leisure Holdings Limited.

Auditor

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

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.

Section 172

The Directors have a duty to promote the success of the Company for the benefit of stakeholders as a whole and remain conscious of the impact their decisions have on employees, communities, suppliers, customers, investors and the environment. The ultimate parent of the Company is Swift Leisure Holdings Limited and as such all stakeholder considerations are managed at a group level. Further detail of policies in relation to the section 172(1) duties can be found in the annual report and financial statements of Swift Leisure Holdings Limited which may be obtained from the registered office at Dunswell Road, Cottingham, and East Yorkshire, HU16 4JX.

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

J Turner
Director
20 December 2022

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 of Swift Group Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 August 2022 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 which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; 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 Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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.

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

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, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation and pensions legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- Cut off of revenue transactions: a sample of revenue items have been agreed to supporting evidence either side of the year end to ensure accounted for in the correct period. Design and implementation of the controls around the sales transactions at the yearend have been considered.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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.

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

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

20 December 2022

Swift Group Limited

Profit and loss account
Year ended 31 August 2022

	Note	2022 £'000	2021 £'000
Turnover	2	301,106	232,685
Cost of sales		(264,666)	(206,490)
Gross profit		36,440	26,195
Administrative expenses		(15,080)	(12,074)
Other operating income	21	-	213
Operating profit		21,360	14,334
Exceptional Items	20	3	(321)
Operating profit after exceptional items	3	21,363	14,013
Finance costs (net)	6	(3,267)	(1,919)
Movement in fair value of financial instruments	18	1,094	(579)
Profit before tax		19,190	11,515
Tax on loss/profit	7	(3,517)	(1,577)
Profit for the financial year attributable to the equity shareholders of the Company		15,673	9,938

The results of the Company during 2022 and 2021 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 £15.7m in the year ended 31 August 2022 (2021: £9.9m) 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
Year ended 31 August 2022

	Note	Share capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
At 1 September 2020		100	27,090	27,190
Profit and total comprehensive income attributable to members of the Company		-	9,938	9,938
At 31 August 2021		100	37,028	37,128
Profit and total comprehensive income. attributable to members of the Company		-	15,673	15,673
At 31 August 2022		100	52,701	52,801

Swift Group Limited

Balance sheet
As at 31 August 2022

	Note	2022 £'000	2021 £'000
Tangible fixed assets	9	15,119	11,912
Current assets			
Stocks	10	26,813	18,868
Debtors: due within one year	11	48,050	42,714
Debtors: due after one year	11	-	131
Cash at bank and in hand		21,927	13,759
		96,790	75,472
Creditors: amounts falling due within one year	12	(56,062)	(47,908)
Net current assets		40,728	27,564
Total assets less current liabilities		55,847	39,476
Provisions for liabilities	13	(3,046)	(2,348)
		52,801	37,128
Capital and reserves			
Called up share capital	14	100	100
Profit and loss account		52,701	37,028
Shareholders' funds		52,801	37,128

The financial statements of Swift Group Limited, registered number - 00832994, were approved by the Board of Directors and authorised for issue 20 December 2022.

Signed on behalf of the Board of Directors

J Turner
Director

A Archer
Director

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

Notes to the financial statements
Year ended 31 August 2022

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 is a Company incorporated in the United Kingdom under the Companies Act 2006. 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.

Going concern

In determining whether the Company's annual financial statements can be prepared on a going concern basis, the Directors considered the Company's business activities for a period of at least 12 months from the date of approval of these financial statements, together with the factors likely to affect its future development, performance and position. The review included the financial position of the Company, its cash flows and future profitability. The key factors considered by the Directors were as follows:

- consideration of detailed forecasts from the date of approval of the annual report and the application of sensitivities to those forecasts;
- the Directors have applied a sensitivity reflecting a reduction in turnover alongside a sensitised increases in the direct cost of production as a reasonable worst case scenario.
- the implications of the challenging economic environment and future uncertainties on the Company's revenues and profits;
- the impact of the competitive environment; and
- the potential actions that could be taken in the event that revenues are worse than expected, to ensure that operating profit and cash flows are protected

In light of the above, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

1. Accounting policies (continued)

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 to 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.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment on each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below. An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Taxation

The charge/credit 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:

a) 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.

b) Provision is made for gains on revalued fixed assets only where there is commitment to dispose of the revalued assets and the attributable gain can neither be rolled over nor removed by capital losses.

c) 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.

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.

1. **Accounting policies (continued)**

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. 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 is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the sale of leisure vehicles is recognised at the point units have completed production and funding from buyer credit facilities has been approved. At this point, the buyer takes ownership of the unit as aligned to the Company's contractual terms. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

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.

Government grants

Funds received in the year in respect of government grants have been accounted for on an accruals basis and recognised in the period they relate to.

Critical accounting judgements and key sources of estimation uncertainty

The Company prepares its financial statements in accordance with FRS 102, which requires management to make judgements, estimates and assumptions which affect the application of the accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates change and in any future periods. The Directors believe there to be no key sources of estimation uncertainty.

There is no area within the financial statements that involve critical judgements in applying the Company's accounting policies at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2. Turnover

An analysis of turnover by geographical market is given below:

	2022	**2021**
	£'000	**£'000**
United Kingdom	274,936	211,573
Rest of Europe	14,969	14,338
Rest of World	11,201	6,774
	301,106	232,685

2. Turnover (continued)

A segmental analysis of turnover for the Company is given below:

	2022 £'000	2021 £'000
Sale of leisure vehicles and aftersale parts	299,476	230,850
Motorhome rental	1,630	1,835
	301,106	232,685

3. Profit before taxation

This is stated after charging/(crediting):	2022 £'000	2021 £'000
Cost of stock recognised as an expense	216,607	168,226
Depreciation of fixed assets	2,892	2,923
Research and development	1,813	1,403
Property rental payable	4,303	473
Employment termination costs	219	137
Auditor's remuneration		
- for the audit of the Company's financial statements	68	50
Profit arising on the sale of tangible fixed assets	(241)	(130)

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:

	2022 £'000	2021 £'000
Total		
Aggregate emoluments	451	405
Company pension contributions to defined contribution scheme	33	30
	484	435
Highest paid Director:		
Aggregate emoluments	176	165
Company pension contributions to defined contribution scheme	12	12
	188	177

5. Staff costs

	2022 £'000	2021 £'000
Employee costs during the year amounted to:		
Wages and salaries	37,352	31,286
Social security costs	3,426	2,743
Other pension costs	1,100	908
	41,878	34,937

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

	2022 Number	2021 Number
Administration	244	217
Production	951	798
	1,195	1,015

6. Net finance costs

	2022 £'000	2021 £'000
Short term deposits	(1)	-
Other interest	(3,266)	(1,919)
	(3,267)	(1,919)

Other interest comprises interest charged by Finance Houses in respect of dealer stocking facilities.

7. Taxation

(a) Tax on profit

The tax charge is made up as follows:

	2022 £'000	2021 £'000
Current tax		
- Corporation tax	2,400	1,123
- Adjustments relating to prior years	(27)	(393)
	2,373	730
Deferred tax		
- Origination and reversal of timing differences	1,150	680
- Adjustments in respect of previous period	-	356
- Effect of change in tax rates	(6)	(189)
Tax charge on profit	3,517	1,577

7. Taxation (continued)

The tax assessed on the profit for the year is lower than the average standard rate of corporation tax of 19% (2021: 19%) The differences are reconciled below:

	2022 £'000	2021 £'000
Profit before taxation	19,190	11,515
Profit on ordinary activities multiplied by standard rate of corporation taxation of 19% (2021: 19%)	3,646	2,188
Depreciation of assets not eligible for capital allowances	24	19
Expenses not deductible for tax purposes	3	7
Adjustments relating to prior year's corporation tax	(27)	(393)
Tax saving from super deduction	(242)	(31)
Impact of deferred tax rate of 25% compared to current rate of 19%	276	163
Prior year deferred tax adjustment	(6)	356
Effects of other tax rates/credits	248	(189)
Group relief	(405)	(543)
Total tax charge	3,517	1,577

8. Dividends

	2022 £'000	2021 £'000
Dividend paid of £nil per share	-	-

9. Tangible fixed assets

	Leasehold improvements £'000	Plant, equipment and motor vehicles £'000	Total £'000
Cost			
At 1 September 2021	4,651	34,889	39,540
Additions	1,998	5,306	7,304
Disposals	-	(1,467)	(1,467)
At 31 August 2022	6,649	38,728	45,377
Depreciation			
At 1 September 2021	2,847	24,781	27,628
Charged during the year	145	2,747	2,892
Disposals	-	(262)	(262)
At 31 August 2022	2,992	27,266	30,258
Net book value			
At 31 August 2022	3,657	11,462	15,119
At 31 August 2021	1,804	10,108	11,912

10. Stocks

	2022 £'000	2021 £'000
Raw materials and consumables	8,685	7,313
Work-in-progress	7,737	6,412
Finished goods	10,391	5,143
	26,813	18,868

The replacement cost of stock is not materially different from the amounts shown above.

11. Debtors

Amounts due within one year:	2022 £'000	2021 £'000
Trade debtors	10,313	16,110
Amounts owed by group undertakings	33,463	23,886
Prepayments	3,345	1,568
Corporation tax	414	1,150
Derivative financial asset	515	-
	48,050	42,714
Amounts due after one year:		
Deferred tax	-	131
	-	131

The deferred tax asset arising on losses incurred, accelerated capital allowances and other timing differences has been recognised in accordance with FRS 102. All deferred taxation assets have been provided for.

The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023. This has been substantively enacted at the balance sheet date and as a result the deferred tax balances as at 31 August 2022 is measured at 25%.

The Company's future tax charge will be affected by the changes in the UK corporation tax rate

12. Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	46,454	37,353
Amounts owed to group undertakings	249	2,216
Social security and other taxes	1,246	1,854
Accruals	8,113	5,906
Financial derivatives	-	579
	56,062	47,908

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

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Year ended 31 August 2022

13. Provision for liabilities

	Manufacturer's guarantee £'000	Deferred Tax £'000	Total £'000
At 1 September 2021	2,348	-	2,348
Net movement in the year	(315)	1,013	698
At 31 August 2022	2,033	1,013	3,046

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

14. Called up share capital

	Authorised		Allotted, called up and fully paid	
	2022 Number	2021 Number	2022 £'000	2021 £'000
Ordinary shares of £1 each	100,000	100,000	100	100

15. Other financial commitments

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

	2022		2021	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
- Within one year	5,992	97	2,979	166
- Between one and five years	14,452	139	8,947	55
- After five years	26,012	-	30,316	-
	46,456	236	42,242	221

Amounts owing under the Company's financial commitments can be satisfied through other members of the group through a cross-company guarantee. Members of the corporate group reflect all subsidiaries of the ultimate parent company, Swift Leisure Holdings Limited.

16. Capital commitments

	2022 £'000	2021 £'000
Amounts authorised and contracted but not provided for in the financial statements for property, plant and equipment.	2,124	1,503

17. Related party transactions

During the current year the Company rented properties from Swift Holdings (UK) Limited, and Swift Property (A1079) Limited, companies with common Directors and shareholders with the ultimate parent Company, Swift Leisure Holdings Limited. Total rentals charged by Swift Holdings (UK) Limited amounted to £4,009k (2021: (£185k) and rents charged by Swift Property (A1079) Limited amounted to £336k (20210: £15k). At the year end the balances outstanding were £nil (2021: £nil) to Swift Holdings (UK) Ltd and £nil to Swift Property (A1079) Ltd (2021: £nil).

18. Financial instruments

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

	2022 £'000	2021 £'000
Financial assets		
Measured at fair value through profit and loss		
- Forward foreign currency contracts	515	-
Measured at undiscounted amount receivable		
- Trade and other debtors	47,121	41,564
	47,636	41,564
Financial liabilities		
Measured at fair value through profit and loss		
Forward foreign currency contracts	-	579
Measured at undiscounted amount receivable		
- Trade and other creditors	56,062	47,329
	56,062	47,908

18. Financial instruments (continued)

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

	2022 £'000	2021 £'000
Interest income and expense		
Total interest income for financial assets at amortised cost	-	-
Fair value gains and (losses)		
On financial assets measured at fair value through profit and loss	515	-
On financial liabilities measured at fair value through profit and loss	579	(579)
	1,094	(579)

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.

19. 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 smallest and largest Group in which the company is included at a consolidated level is Swift Leisure Holdings Ltd. The registered office of the parent company and ultimate parent company is the same as listed on page 1.

20. Exceptional Items

	2022 £'000	2021 £'000
Closure of Mexborough site	(6)	187
Termination of South Cave site	3	(2)
Employment Advice re Redundancies	-	19
Cessation of overseas dealer	-	117
	(3)	321

21. Other operating income

In order to preserve employment across the workforce the Company utilised the Coronavirus Job Retention Scheme ('CJRS') whereby it was able to recover £nil (2021: £0.2m) under the scheme. All amounts recovered have been passed onto employees through the Company's payroll.