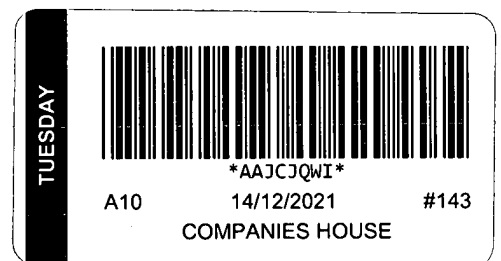


Company Registration No. 00832994

Swift Group Limited

Annual Report and Financial Statements

For the year ended 31 August 2021



Swift Group Limited

Annual report and financial statements for the year ended 31 August 2021

| Contents | Page |
|--|-------------|
| Officers and professional advisers | 1 |
| Strategic report | 2 |
| Directors' report | 4 |
| Directors' responsibilities statement | 6 |
| Independent auditor's report | 7 |
| Profit and loss account | 11 |
| Statement of changes in equity | 11 |
| Balance sheet | 12 |
| Notes to the financial statements | 13 |

Swift Group Limited

Annual report and financial statements for the year ended 31 August 2021

Officers and professional advisers

Directors

J Turner
A Archer
N Page
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
United Kingdom

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 requirements. 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 next year.

The current year reflects a period of operational resilience as the Company looked to mitigate the negative impact of COVID-19 and bounce back from the prolonged period of shutdown which occurred during the previous financial year. A phased return to the manufacturing operations at the beginning of the financial year allowed the Company to capitalise on the favourable market conditions brought about by overseas travel restrictions and the consumer demand of the UK domestic holiday market. As part of the operational restart, the Company implemented strict COVID-19 protocols to ensure the protection of staff remained at the forefront of decision making and as a result, production continued throughout the financial year to ensure the reliability of supply was maintained across the dealer network.

During the year the Company has recruited a significant number of people across most areas of the business. The labour market in general is challenging and a number of initiatives have been introduced to attract and retain talent to support the current plans and future strategy.

Looking forward to FY22, the Directors believe the Company is well positioned in its chosen markets to both grow overall market share and continuing to be at the forefront of the industry with respect to product development and customer satisfaction. Since the start of the financial year the Company has made significant steps in ensuring its product line up meets the requirements of the end customer. Product quality and innovation remains at the centre of the Group’s decision making. The outlook for the coming year is not without challenges due to the long terms affects of the pandemic and the overall recovery of the UK economy. The Company’s underlying sales order book for the upcoming year remains strong, driven both by the aforementioned design of the 2022 season product and the current market conditions. The Directors continue to take their Health and Safety obligations extremely seriously especially in light of the COVID-19 pandemic.

Results and dividends

The positive trading conditions have led to an operating profit before exceptionals of £14.3m (2020 loss: £7.3m). In the calculation of operating profit, the Company incurred £2.7m (2020: £8.6m) of expenses directly attributable to the COVID-19 pandemic.

Whilst the Directors are pleased with this financial result, operationally the Company faced significant challenges throughout the year including; supply chain disruption causing delays in the delivery of parts, significant levels of price inflation and the sourcing of labour across a geographically competitive market.

The Company has net assets of £37.1m (2020: £27.2m) and net current assets of £27.6m (2020: £16.0m) showing an overall strengthening of the balance sheet in comparison to the previous year.

Principal risks and uncertainties

Competitor Risk: Competitive pressure in the UK is a continuing risk for the Company. The Company manages this risk by; being flexible and responsive to market demands, maintaining strong relationships with its dealer network 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 in order to remain ahead of the competition.

Commercial Relationships: The Company benefit from professional 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. The Company maintain an Approved Dealer Programme which provides comprehensive manufacturer support for all aspects of our dealers operations across both Touring Caravans and Motorhomes, for the benefit of retail customers.

Foreign Exchange: The Company 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 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.

Swift Group Limited

Strategic report

Principal risks and uncertainties (continued)

Brexit: Following the results of the EU referendum vote, the long term impact on the UK remains uncertain. The Company has taken, and continues to take all necessary measures to ensure the continuation of its operations following the agreement which has taken place between the UK and the European Union. 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. During the year the Company initiated a cross departmental team to understand and resolve all issues associated with Brexit which has led to an overall smooth transition post the start of Brexit period. In addition, the Company also remains aware of the risk associated with the ultimate retail demand of its products due to the prolonged uncertainty of the UK economy. As the implications of the referendum become more known, the Company is well placed to maintain and grow its market position both at home and internationally.

COVID-19: COVID-19 presented the Company with both operational challenges as well as favourable market conditions in respect of the demand for UK 'Stay-cations'. The Company adopted the necessary measures throughout the year to ensure the long term viability of both the Company and the Swift brand. Furthermore, the safety and welfare of all stakeholders remains at the forefront of all decision making to ensure the risk to employees, customers and visitors to the Company's site is mitigated.

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, 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;
- 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; and
- the impact of COVID-19 on the business and its prospects. The Directors are regularly updated on the evolving risks of the ongoing COVID-19 situation and continue to monitor developments closely

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
10 December 2021

Swift Group Limited

Directors' report

The Directors present their annual report and the audited financial statements for the year ended 31 August 2021.

Directors

The present Directors of the Company who served throughout the year and subsequently except as noted 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 £2k (2020: £4k). The Company made no political donations in the year (2020: £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 Company 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, video briefings, the monthly communication brief and the consultation of the nominated Employee Forum whereby 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.

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.

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.

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 the registered office at Dunswell Road, Cottingham, East Yorkshire, HU16 4JX.

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



J Turner
Director
10 December 2021

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 2021 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" ('FRC') 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.

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.

Swift Group Limited

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 sides of the year end to ensure accounted for in the correct period.

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.

Swift Group Limited

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

Matters on which we are required to report by exception

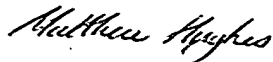
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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
10 December 2021

Swift Group Limited

Profit and loss account Year ended 31 August 2021

| | Note | 2021 £'000 | 2020 £'000 |
|--|------|---------------|---------------|
| Turnover | 2 | 232,685 | 145,505 |
| Cost of sales | | (206,490) | (144,563) |
| Gross profit | | 26,195 | 942 |
| Administrative expenses | | (12,074) | (17,751) |
| Other operating income | 21 | 213 | 9,514 |
| Operating profit/(loss) | | 14,334 | (7,295) |
| Exceptional Items | 20 | (321) | (835) |
| Operating profit/(loss) after exceptional items | 3 | 14,013 | (8,130) |
| Finance costs (net) | 6 | (1,919) | (3,002) |
| Movement in fair value of financial instruments | 18 | (579) | (477) |
| Profit/(loss) before tax | | 11,515 | (11,609) |
| Tax on loss/profit | 7 | (1,577) | 1,364 |
| Profit/(loss) for the financial year attributable to the equity shareholders of the Company | | 9,938 | (10,245) |

The results of the Company during 2021 and 2020 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 £9.9m in the year ended 31 August 2021 (2020: £10.2m loss) 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 2021

| | Note | Share capital £'000 | Profit and loss account £'000 | Total shareholders' funds £'000 |
|---|------|---------------------------|--|--|
| At 1 September 2019 | | 100 | 37,335 | 37,435 |
| Loss attributable to members of the Company | | | (10,245) | (10,245) |
| At 31 August 2020 | | 100 | 27,090 | 27,190 |
| Profit attributable to members of the Company | | | 9,938 | 9,938 |
| At 31 August 2021 | | 100 | 37,028 | 37,128 |

Swift Group Limited

Balance sheet As at 31 August 2021

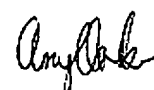
| | Note | 2021 £'000 | 2020 £'000 |
|---|------|---------------|---------------|
| Tangible fixed assets | 9 | 11,912 | 13,224 |
| Current assets | | | |
| Stocks | 10 | 18,868 | 12,293 |
| Debtors: due within one year | 11 | 42,714 | 14,989 |
| Debtors: due after one year | 11 | 131 | 978 |
| Cash at bank and in hand | | 13,759 | 5,437 |
| | | 75,472 | 33,697 |
| Creditors: amounts falling due within one year | 12 | (47,908) | (17,648) |
| Net current assets | | 27,564 | 16,049 |
| Total assets less current liabilities | | 39,476 | 29,273 |
| Provisions for liabilities | 13 | (2,348) | (2,083) |
| | | 37,128 | 27,190 |
| Capital and reserves | | | |
| Called up share capital | 14 | 100 | 100 |
| Profit and loss account | | 37,028 | 27,090 |
| Shareholders' funds | | 37,128 | 27,190 |

The financial statements of Swift Group Limited, registered number - 00832994, were approved by the Board of Directors and authorised for issue 10 December 2021.

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.

Swift Group Limited

Notes to the financial statements Year ended 31 August 2021

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.

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, 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;
- 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; and
- the impact of COVID-19 on the business and its prospects. The Directors are regularly updated on the evolving risks of the ongoing COVID-19 situation and continue to monitor developments closely

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.

Swift Group Limited

Notes to the financial statements Year ended 31 August 2021

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.

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.

Swift Group Limited

Notes to the financial statements Year ended 31 August 2021

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 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 Year ended 31 August 2021

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. The grants received were in relation to the Coronavirus Job Retention Scheme.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company'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 as shown in note 13 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:

| | 2021 £'000 | 2020 £'000 |
|----------------|----------------|----------------|
| United Kingdom | 211,573 | 135,719 |
| Rest of Europe | 14,338 | 5,626 |
| Rest of World | 6,774 | 4,160 |
| | <u>232,685</u> | <u>145,505</u> |

Swift Group Limited

Notes to the financial statements Year ended 31 August 2021

3. Profit before taxation

| | 2021 £'000 | 2020 £'000 |
|---|---------------|---------------|
| This is stated after charging/(crediting): | | |
| Cost of stock recognised as an expense | 168,226 | 114,121 |
| Depreciation of fixed assets | 2,923 | 3,741 |
| Research and development | 1,403 | 1,667 |
| Property rental payable/(receivable) | 473 | (687) |
| Employment termination costs | 137 | 1,834 |
| Auditor's remuneration | 50 | 49 |
| - for the audit of the Company's financial statements | (130) | (151) |
| Profit arising on the sale of tangible fixed assets | | |

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:

| | 2021 £'000 | 2020 £'000 |
|--|---------------|---------------|
| Total | | |
| Aggregate emoluments | 405 | 454 |
| Company pension contributions to defined contribution scheme | 30 | 31 |
| | <u>435</u> | <u>485</u> |
| Highest paid Director: | | |
| Aggregate emoluments | 165 | 204 |
| Company pension contributions to defined contribution scheme | 12 | 14 |
| | <u>177</u> | <u>218</u> |

Swift Group Limited

Notes to the financial statements Year ended 31 August 2021

5. Staff costs

| | 2021 £'000 | 2020 £'000 |
|---|---------------|---------------|
| Employee costs during the year amounted to: | | |
| Wages and salaries | 31,286 | 27,160 |
| Social security costs | 2,743 | 2,466 |
| Other pension costs | 908 | 797 |
| | <u>34,937</u> | <u>30,423</u> |

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

| | 2021 Number | 2020 Number |
|----------------|----------------|----------------|
| Administration | 217 | 255 |
| Production | 798 | 784 |
| | <u>1,015</u> | <u>1,039</u> |

6. Net finance costs

| | 2021 £'000 | 2020 £'000 |
|---------------------|----------------|----------------|
| Short term deposits | - | 14 |
| Other interest | (1,919) | (3,016) |
| | <u>(1,919)</u> | <u>(3,002)</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

The tax credit is made up as follows:

| | 2021 £'000 | 2020 £'000 |
|--|---------------|----------------|
| Current tax | | |
| - Corporation tax | 1,123 | (945) |
| - Adjustments relating to prior years | (393) | 708 |
| | <u>730</u> | <u>(237)</u> |
| Deferred tax | | |
| - Origination and reversal of timing differences | 680 | (1,152) |
| - Adjustments in respect of previous period | 356 | 7 |
| - Effect of change in tax rates | (189) | 18 |
| | <u>1,577</u> | <u>(1,364)</u> |
| Tax charge/(credit) on profit | | |

Swift Group Limited

Notes to the financial statements Year ended 31 August 2021

7. Taxation (continued)

The tax assessed on the profit for the year is lower than the average standard rate of corporation tax of 19% (2020: 19%) The differences are reconciled below:

| | 2021 £'000 | 2020 £'000 |
|---|---------------|----------------|
| Profit/(Loss) before taxation | 11,515 | (11,609) |
| Profit/Loss on ordinary activities multiplied by standard rate of corporation taxation of 19% (2020: 19%) | 2,188 | (2,206) |
| Depreciation of assets not eligible for capital allowances | 19 | 19 |
| Income not taxable for tax purposes | - | (5) |
| Expenses not deductible for tax purposes | 7 | 10 |
| Adjustments relating to prior year's corporation tax | (393) | 708 |
| Tax saving from superdeduction | (31) | - |
| Impact of deferred tax rate of 25% compared to current rate of 19% | 163 | - |
| Prior year deferred tax adjustment | 356 | 7 |
| Effects of other tax rates/credits | (189) | 18 |
| Group relief | (543) | 85 |
| Total tax charge/(credit) | 1,577 | (1,364) |

8. Dividends

| | 2021 £'000 | 2020 £'000 |
|---------------------------------|---------------|---------------|
| Dividend paid of £nil per share | - | - |

Swift Group Limited

Notes to the financial statements Year ended 31 August 2021

9. Tangible fixed assets

| | Leasehold improvements £'000 | Plant, equipment and motor vehicles £'000 | Total £'000 |
|--------------------------|------------------------------------|---|----------------|
| Cost | | | |
| At 1 September 2020 | 4,626 | 34,381 | 39,007 |
| Additions | 81 | 2,704 | 2,785 |
| Disposals | (56) | (2,196) | (2,252) |
| At 31 August 2021 | 4,651 | 34,889 | 39,540 |
| Depreciation | | | |
| At 1 September 2020 | 2,758 | 23,025 | 25,783 |
| Provided during the year | 106 | 2,817 | 2,923 |
| Disposals | (17) | (1,061) | (1,078) |
| At 31 August 2021 | 2,847 | 24,781 | 27,628 |
| Net book value | | | |
| At 31 August 2021 | 1,804 | 10,108 | 11,912 |
| At 31 August 2020 | 1,868 | 11,356 | 13,224 |

10. Stocks

| | 2021 £'000 | 2020 £'000 |
|-------------------------------|---------------|---------------|
| Raw materials and consumables | 7,313 | 6,357 |
| Work-in-progress | 6,412 | 5,326 |
| Finished goods | 5,143 | 610 |
| | 18,868 | 12,293 |

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

Swift Group Limited

Notes to the financial statements Year ended 31 August 2021

11. Debtors

| | 2021 £'000 | 2020 £'000 |
|------------------------------------|---------------|---------------|
| Amounts due within one year: | | |
| Trade debtors | 16,110 | 7,663 |
| Amounts owed by group undertakings | 23,886 | 5,745 |
| Prepayments | 1,568 | 1,100 |
| Corporation Tax | 1,150 | 481 |
| | <u>42,714</u> | <u>14,989</u> |
| Amounts due after one year: | | |
| Deferred tax | 131 | 978 |
| | <u>131</u> | <u>978</u> |

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.

Finance Act 2016 had previously enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020 and accordingly the deferred tax at 31 August 2021 had been calculated at this rate. However, in the March 2020 Budget it was announced that the reduction will not occur and the Corporation Tax Rate will be held at 19%. The Provisional Collection of Taxes Act was used to substantively enact the revised 19% tax rate on 17 March 2020 and accordingly the deferred tax balances have been re-calculated to 19% at the year end.

The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023 which was not been substantively enacted at the balance sheet date, as result deferred tax balances as at 31 August 2021 continue to be measured at 19%.

12. Creditors: amounts falling due within one year

| | 2021 £'000 | 2020 £'000 |
|------------------------------------|---------------|---------------|
| Trade creditors | 37,353 | 8,157 |
| Amounts owed to group undertakings | 2,216 | 71 |
| Social security and other taxes | 1,854 | 5,269 |
| Accruals | 5,906 | 4,151 |
| Financial derivatives | 579 | - |
| | <u>47,908</u> | <u>17,648</u> |

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

Swift Group Limited

Notes to the financial statements Year ended 31 August 2021

13. Provision for liabilities

| | Manufacturer's guarantee £'000 | Total £'000 |
|--------------------------|--------------------------------------|----------------|
| At 1 September 2020 | 2,083 | 2,083 |
| Net movement in the year | 265 | 265 |
| At 31 August 2021 | 2,348 | 2,348 |

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

| | 2021 Number | Authorised 2020 Number | Allotted, called up and fully paid 2021 £'000 | 2020 £'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:

| | 2021 | | 2020 | |
|------------------------------|--------------------------------|----------------|--------------------------------|----------------|
| | Land and buildings £'000 | Other £'000 | Land and buildings £'000 | Other £'000 |
| - Within one year | 2,979 | 166 | 447 | 243 |
| - Between one and five years | 8,947 | 55 | 10,529 | 52 |
| - After five years | 30,316 | - | 30,482 | - |
| | 42,242 | 221 | 41,458 | 295 |

16. Capital commitments

| | 2021 £'000 | 2020 £'000 |
|---|---------------|---------------|
| Amounts authorised and contracted but not provided for in the financial statements for property, plant and equipment. | 1,503 | 63 |

Swift Group Limited

Notes to the financial statements Year ended 31 August 2021

17. 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 2021 a Company controlled by his wife, Mrs S Page charged the Company £nil (2020: £20k) for marketing services provided to the Company in the normal course of business. At 31 August 2021 the Company owed £nil (2020: £nil) to this Company.

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 £185k (2020: (£702k) and rents charged by Swift Property (A1079) Limited amounted to £15k (2020: £nil). At the year end the balances outstanding were £nil (2020: £nil) to Swift Holdings (UK) Ltd and £nil to Swift Property (A1079) Ltd (2020: £nil).

18. Financial instruments

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

| | 2021 £'000 | 2020 £'000 |
|--|---------------|---------------|
| Financial assets | | |
| Measured at undiscounted amount receivable | | |
| - Trade and other debtors | 41,564 | 14,508 |
| | <u>41,564</u> | <u>14,508</u> |
| Financial liabilities | | |
| Measured at fair value through profit and loss | | |
| Forward foreign currency contracts | 579 | - |
| Measured at undiscounted amount receivable | | |
| - Trade and other creditors | 47,329 | 17,648 |
| | <u>47,908</u> | <u>17,648</u> |

Swift Group Limited

Notes to the financial statements Year ended 31 August 2021

18. Financial instruments (continued)

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

| | 2021 £'000 | 2020 £'000 |
|---|---------------|---------------|
| Interest income and expense | | |
| Total interest income for financial assets at amortised cost | - | 14 |
| Fair value gains and losses | | |
| On financial assets measured at fair value through profit and loss | - | (477) |
| On financial liabilities measured at fair value through profit and loss | 579 | - |
| | 579 | (477) |

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 registered office of the parent company and ultimate parent company is the same as listed on page 1.

20. Exceptional Items

| | 2021 £'000 | 2020 £'000 |
|--------------------------------------|---------------|---------------|
| Legal Costs re incident October 2017 | - | (25) |
| Closure of Mexborough site | 187 | 793 |
| Termination of South Cave site | (2) | 67 |
| Employment Advice re Redundancies | 19 | - |
| Cessation of overseas dealer | 117 | - |
| | 321 | 835 |

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 £0.2m (2020: £9.5m) under the scheme. All amounts recovered have been passed onto employees through the Company's payroll.