

**Company Registration No. 08008628**

**Swift Acquisitions Limited**

**Report and Financial Statements**

**31 August 2016**



# **Swift Acquisitions Limited**

## **Report and financial statements 2016**

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# **Swift Acquisitions Limited**

## **Report and financial statements 2016**

### **Officers and professional advisers**

#### **Directors**

P M Smith  
K Brayshaw  
J S Turner  
A C Archer  
G J M Smith  
R P Smeaton (appointed 23 June 2016)

#### **Company Secretary**

R P Smeaton (appointed 23 June 2016)

#### **Registered Office**

Dunswell Road  
Cottingham  
East Yorkshire  
HU16 4JX

#### **Auditor**

Deloitte LLP  
Chartered Accountants & Statutory Auditor  
Leeds  
United Kingdom

# Swift Acquisitions Limited

## Strategic report

### Principal activity and business review

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

The directors are very pleased with the performance of the group which resulted in a pre-tax profit of £22.2m (2015: £6.3m). These results have been achieved in a year which has benefited from volume growth and margin improvement, which enables continued investment in our people, systems and capital equipment to ensure our products continue to lead the industry. Our new product offerings have been favourably received in the market place and our order books have remained very healthy all year. We believe that we are well placed in what remains a very competitive industry.

The balance sheet on page 8 of the financial statements sets out the group's financial position at the year end, and the individual company balance sheet is on page 9.

After making loan repayments of £5.9m during the year, the cash balance has increased by £1.1m to £11.1m, again demonstrating the cash generation ability of the business. The net assets have also seen a healthy increase to £73.3m.

The outlook for the coming year is very encouraging with a strong order book and continued enhancements to the product offering in all three sectors. The quality and warranty record of our products remain key priorities and continued areas of focus and investment.

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

Following adoption of FRS 102 for the first time for the 2016 financial statements, the group now recognises financial instruments such as forward foreign exchange contracts on its balance sheet at fair value. The fair value is determined by the counterparty banks using commonly accepted valuation techniques and movements in this fair value, which is a non cash item, are recognised through the profit and loss account. In the current year, profits include a credit of £7.3m (2015: £0.04m) relating to the movement in fair value of these instruments.

### Results and dividends

The group profit on ordinary activities for the period before taxation amounts to £22,230,873 (2015: £6,329,026) and the taxation charge amounts to £5,006,897 (2015: £2,138,043) leaving a net profit for the period of £17,223,976 (2015: £4,190,983) attributable to shareholders.

A dividend of £1,384,800 (2015: £nil) was paid in the year.

### Principal risks and uncertainties

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

**Commercial Relationships:** The company and group benefits from close commercial relationships with dealers and suppliers. Damage to or loss of any of these relationships could have a direct and detrimental effect on the results. To manage this risk periodic supplier and dealer reviews are held to identify issues of concern, and maintain very open lines of communication with these parties.

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

**Brexit:** Following the results of the EU referendum vote announced on Friday 24 June 2016 to leave the EU, the full impact on the UK remains uncertain.

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

As the implications of the referendum become known in the coming weeks, months and years, the group is well placed to maintain and grow its market leading position both at home and internationally.

# Swift Acquisitions Limited

## Strategic report

### Going concern

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

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



J S Turner  
Director  
8<sup>th</sup> December 2016

## Directors' report

The Directors present their annual report and the audited financial statements for the year ended 31 August 2016.

### Directors

The present directors of the company who served throughout the year and subsequently are those listed on page 1. Mr G Artley resigned as a director on 11 September 2015.

### Research and development

The group has a continuing programme of improvement to the design of its caravans, motorhomes and holiday homes and to its manufacturing processes. It is the directors' intention that the group shall remain at the forefront of design and innovation in its products. The group also makes use of new technology, upgrading its information and controls systems on a continuous basis. The group commits significant sums (in excess of £1m per annum on an annual recurring basis) to Research and Development spend to ensure that products remain at the forefront of the sectors in which we operate.

### Donations

The group has made charitable gifts during the period of £8,490 (2015: £8,885). The group has made political donations in the period of £nil (2015: £nil)

### Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. 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 training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### Employee consultation

The policy of the group is to keep employees fully informed on matters of concern to them through an established and ongoing communication process.

### 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 a 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.

### Auditor

A resolution to re-appoint Deloitte LLP as auditor will be proposed at the forthcoming Annual General Meeting.

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



J S Turner  
Director  
8th December 2016

# **Swift Acquisitions 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 period. 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 to 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.

## **Independent auditor's report to the members of Swift Acquisitions Limited**

We have audited the financial statements of Swift Acquisitions Limited for the year ended 31 August 2016 which comprise the group profit and loss account, the group and company balance sheets, the group and company statements of changes in equity, the group statement of cash flows and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

### **Respective responsibilities of directors and auditor**

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the groups and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 August 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



**Matthew Hughes FCA (Senior Statutory Auditor)**

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

Leeds

8 December 2016



# Swift Acquisitions Limited

## Group profit and loss account Year ended 31 August 2016

		2016 £	2015 (As restated (note 24) £
<b>Turnover</b>	2	252,040,480	212,543,715
<b>Cost of sales</b>		(213,669,304)	(184,836,951)
<b>Gross profit</b>		38,371,176	27,706,764
Goodwill amortisation		(3,237,684)	(3,237,684)
Other administrative expenses		(17,650,041)	(15,904,583)
<b>Total administrative expenses</b>		(20,887,725)	(19,142,267)
<b>Operating profit before goodwill amortisation</b>	3	20,721,135	11,802,181
<b>Goodwill amortisation</b>		(3,237,684)	(3,237,684)
<b>Operating profit</b>		17,483,451	8,564,497
Amortisation of debt issue costs		(75,000)	(75,000)
Interest receivable	6	41,572	27,363
Interest payable	7	(2,545,015)	(2,231,725)
Movement in fair value of financial instruments	24	7,325,865	43,891
<b>Profit on ordinary activities before taxation</b>		22,230,873	6,329,026
<b>Tax on profit on ordinary activities</b>	8	(5,006,897)	(2,138,043)
<b>Profit retained for the financial period</b>		17,223,976	4,190,983

The results of the company during the year ended 31 August 2016 and the year ended 31 August 2015 arose from continuing operations.

There were no other items of comprehensive income or expense for the current or preceding financial periods, other than the profit attributable to shareholders of the group of £17,223,976 in the year ended 31 August 2016 (2015: £4,190,983) 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.

# Swift Acquisitions Limited

## Group balance sheet As at 31 August 2016

	Note	2016 £	Restated 2015 £
<b>Fixed assets</b>			
Tangible assets	10	7,768,731	4,685,937
Goodwill	11	51,412,649	54,650,333
		<u>59,181,380</u>	<u>59,336,270</u>
<b>Current assets</b>			
Stocks	13	21,031,488	22,372,446
Debtors	14	27,482,617	12,831,400
Cash at bank and in hand		11,051,202	9,910,837
		<u>59,565,307</u>	<u>45,114,683</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(35,795,954)</u>	<u>(29,781,869)</u>
<b>Net current assets</b>		<u>23,769,353</u>	<u>15,332,814</u>
<b>Total assets less current liabilities</b>		<u>82,950,733</u>	<u>74,669,084</u>
<b>Creditors: amounts falling due after more than one year</b>	16	-	(10,325,000)
<b>Provisions for liabilities</b>	18	<u>(9,611,576)</u>	<u>(7,157,697)</u>
<b>Net assets</b>		<u><u>73,339,157</u></u>	<u><u>57,186,387</u></u>
<b>Capital and reserves</b>			
Called up share capital	19	955,232	1,009,232
Share premium account		46,150,768	46,150,768
Capital redemption reserve		54,000	-
Own shares held		(122,246)	-
Profit and loss account		26,301,403	10,026,387
<b>Shareholders' funds</b>		<u><u>73,339,157</u></u>	<u><u>57,186,387</u></u>

The financial statements of Swift Acquisitions Limited, registered number 08008628, were approved by the board of directors and authorised for issue on 8<sup>th</sup> December 2016.

Signed on behalf of the Board of Directors

J S Turner  
Director



R P Smeaton  
Director



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

# Swift Acquisitions Limited

## Company balance sheet As at 31 August 2016

	Note	2016 £	Restated 2015 £
<b>Fixed assets</b>			
Tangible assets	10	187,514	148,139
Investment in group undertakings	12	70,341,345	70,341,345
		<u>70,528,859</u>	<u>70,489,484</u>
<b>Current assets</b>			
Debtors	14	524,696	320,765
		<u>524,696</u>	<u>320,765</u>
<b>Creditors: amounts falling due within one year</b>	15	(11,603,351)	(7,475,821)
<b>Net current liabilities</b>		<u>(11,078,655)</u>	<u>(7,155,056)</u>
<b>Creditors: amounts falling due after more than one year</b>	16	-	(10,325,000)
<b>Net assets</b>		<u>59,450,204</u>	<u>53,009,428</u>
<b>Capital and reserves</b>			
Called up share capital	19	955,232	1,009,232
Share premium account		46,150,768	46,150,768
Capital redemption reserve		54,000	-
Profit and loss account		12,290,204	5,849,428
<b>Shareholders' funds</b>		<u>59,450,204</u>	<u>53,009,428</u>

The financial statements of Swift Acquisitions Limited, registered number 08008628, were approved by the board of directors and authorised for issue on 8<sup>th</sup> December 2016.

Signed on behalf of the Board of Directors

J S Turner  
Director



R P Smeaton  
Director



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

## Swift Acquisitions Limited

### Statement of changes in equity As at 31 August 2016

Group	Capital redemption reserve £	Own shares held £	Share capital £	Share premium account £	Profit and loss account £	Total shareholders' funds £
Balance as at 31 August 2014 as previously stated	-	-	1,009,232	46,150,768	7,124,132	54,284,132
Transition adjustments (note 25)	-	-	-	-	(1,288,728)	(1,288,728)
Balance as at 31 August 2014 as restated	-	-	1,009,232	46,150,768	5,835,404	52,995,404
Profit for the period	-	-	-	-	4,190,983	4,190,983
Balance as at 31 August 2015	-	-	1,009,232	46,150,768	10,026,387	57,186,387
Repurchase of shares	-	-	(54,000)	-	-	(54,000)
Profit for the period	-	-	-	-	17,223,976	17,223,976
Transfer on repurchase of shares	54,000	-	-	-	(54,000)	-
Profit arising from the sale of shares	-	-	-	-	489,840	489,840
Dividend	-	-	-	-	(1,384,800)	(1,384,800)
Shares held by EBT	-	(122,246)	-	-	-	(122,246)
At 31 August 2016	54,000	(122,246)	955,232	46,150,768	26,301,403	73,339,157

  

Company	Capital redemption reserve £	Own shares held £	Share capital £	Share premium account £	Profit and loss account £	Total shareholders' funds £
Balance as at 31 August 2014 as previously reported	-	-	1,009,232	46,150,768	5,933,486	53,093,486
Transition adjustments	-	-	-	-	(7,407)	(7,407)
Balance as at 31 August 2014 as restated	-	-	1,009,232	46,150,768	5,926,079	53,086,079
Loss for the period	-	-	-	-	(76,651)	(76,651)
Balance as at 31 August 2015	-	-	1,009,232	46,150,768	5,849,428	53,009,428
Repurchase of shares	-	-	(54,000)	-	(171,414)	(225,414)
Profit for the period	-	-	-	-	6,666,190	6,666,190
Transfer on repurchase of shares	54,000	-	-	-	(54,000)	-
At 31 August 2016	54,000	-	955,232	46,150,768	12,290,204	59,450,204

During the year the company repurchased 54,000 shares with a nominal value of £1 per share.

## Swift Acquisitions Limited

### Group statement of cash flows Year ended 31 August 2016

	Note	2016 £	2015 £
<b>Net cash flows from operating activities</b>	3(b)	15,121,566	8,547,045
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(4,925,338)	(1,756,541)
Sale of tangible fixed assets		97,787	73,399
Interest received		41,573	27,363
Interest paid		(2,545,015)	(2,231,725)
<b>Net cash flows from investing activities</b>		<u>(7,330,993)</u>	<u>(3,887,504)</u>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(5,850,000)	(3,600,000)
Dividends paid		(1,384,800)	-
Shares purchased by EBT		(117,543)	-
Receipt from shares issued by EBT		702,135	-
<b>Net cash flows from financing activities</b>		<u>(6,650,208)</u>	<u>(3,600,000)</u>
<b>Increase in cash in the period</b>		1,140,365	1,059,541
<b>Cash and cash equivalents at beginning of year</b>		<u>9,910,837</u>	<u>8,851,296</u>
<b>Cash and cash equivalents at end of year</b>		<u><u>11,051,202</u></u>	<u><u>9,910,837</u></u>

# Swift Acquisitions Limited

## Notes to the financial statements Year ended 31 August 2016

### 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 Acquisitions Limited ("the group") is a group incorporated in the United Kingdom under the Companies Act. The group is a private group limited by shares and is registered in England and Wales. The address of the group's registered office is shown on page 1. The nature of the group'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 prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. The transition adjustments associated with FRS 102 have been disclosed in detail in note 25.

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

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

#### Basis of consolidation

The group accounts consolidate the accounts of Swift Acquisitions Limited and all its subsidiary undertakings drawn up to 31 August each year.

#### Goodwill

Goodwill, being the difference between the amount paid on the acquisition of a business and the aggregate fair value of its separable net assets, is capitalised, classified as an asset on the balance sheet and amortised over its useful economic life. It is reviewed for impairment annually if events or changes in circumstances indicate that the carrying value may not be recoverable.

#### Fixed asset investments

All fixed assets are initially recorded at cost, with provision for impairment being made when appropriate.

#### Tangible fixed assets

Depreciation is provided on all tangible fixed assets, other than freehold land, 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	Over the lease term or the expected 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 in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

#### 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. 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.

# Swift Acquisitions Limited

## Notes to the financial statements Year ended 31 August 2016

### 1. Accounting policies (continued)

#### 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.

#### Research and development

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

#### Financial instruments

Financial assets and financial liabilities are recognised when the group 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 group 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 group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the group, 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 group uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The group 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.

## Notes to the financial statements (continued)

### Year ended 31 August 2016

#### 1. Accounting policies (continued)

##### **Taxation**

The charge for taxation is based on the profit for the period 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 results 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 a commitment to dispose of the revalued assets and the attributable gain can neither be rolled over nor eliminated 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 difference 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.

##### **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 group in a Group Personal Pension Plan.

##### **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.

##### **Critical accounting judgements and key sources of estimation uncertainty**

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

Determining the appropriate levels of provision for manufacturer's guarantees requires judgement regarding an estimation of the levels of such costs in the future. 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.



**Notes to the financial statements (continued)**  
**Year ended 31 August 2016**

**2. Turnover**

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties. Revenue is recognised following the transfer of the relevant rights of ownership to the customer. Turnover and pre-tax profit are attributable to the manufacture and sale of touring caravans, motorhomes and holiday homes, and related services.

An analysis of turnover by geographical market is given below:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
United Kingdom	234,097,400	199,817,578
Rest of Europe	9,239,923	5,547,235
Rest of World	8,703,157	7,178,902
	<u>252,040,480</u>	<u>212,543,715</u>

**3. Operating profit**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
(a) This is stated after charging/(crediting):		
Depreciation of fixed assets	1,833,741	1,436,036
Amortisation of goodwill	3,237,684	3,237,684
Property rental paid	2,674,972	2,525,964
Property rental received	(133,233)	(133,233)
Employment termination costs	94,601	349,246
Auditor's remuneration		
- for the audit of the Group's financial statements	43,600	41,500
- non audit services	2,000	1,950
Profit arising on the sale of tangible fixed assets	(88,948)	(64,647)
	<u></u>	<u></u>

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
(b) Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	17,483,451	8,564,497
Amortisation of goodwill	3,237,684	3,237,684
Depreciation	1,833,741	1,436,036
(Profit) on sale of fixed assets and shares	(64,842)	(64,647)
	<u></u>	<u></u>
Operating cash flows before movements in working capital	22,490,034	13,173,570
Decrease/(increase) in stocks	1,340,958	(5,280,848)
(Increase)/decrease in debtors	(6,245,221)	2,619,446
(Increase)/decrease in creditors and provisions	895,660	(338,394)
Tax paid	(3,359,865)	(1,626,729)
	<u></u>	<u></u>
Net cash flows from operating activities	<u>15,121,566</u>	<u>8,547,045</u>

# Swift Acquisitions Limited

## Notes to the financial statements (continued) Year ended 31 August 2016

### 4. Directors' remuneration

	2016 £	2015 £
<b>Total</b>		
Aggregate emoluments	434,824	703,144
Compensation for loss of office	-	83,322
Company pension contributions to defined contributions schemes	29,762	36,250
<b>Highest paid director:</b>		
Emoluments, excluding pension contributions and compensation for loss of office	235,413	327,295
Company pension contributions to defined contribution schemes	15,787	10,000

The number of directors who were eligible to receive retirement benefits under the group defined contribution pension schemes at 31 August 2016 was 3 (2015: 2).

### 5. Staff costs

	2016 £	2015 £
Employee costs during the period amounted to:		
Wages and salaries	30,962,360	26,906,233
Social security costs	3,059,265	2,661,543
Other pension costs	563,170	685,203
	34,584,795	30,252,979

These costs include directors' remuneration shown in note 4.

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

	2016 No.	2015 No.
Administration	261	228
Production and other	827	750
	1,088	978

### 6. Interest receivable

	2016 £	2015 £
Short term deposits	41,572	27,363

# Swift Acquisitions Limited

## Notes to the financial statements (continued) Year ended 31 August 2016

### 7. Interest payable

	2016 £	2015 £
Bank loan interest	377,909	551,305
Other interest	2,167,106	1,680,420
	<u>2,545,015</u>	<u>2,231,725</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. This has been reclassified to net finance costs in the current year, previously this cost was deducted from revenue. Comparatives have been restated accordingly.

# Swift Acquisitions Limited

## Notes to the financial statements (continued) Year ended 31 August 2016

### 8. Taxation on profit on ordinary activities

#### (a) Tax on profit on ordinary activities

	2016 £	2015 £
The tax charge is made up as follows:		
<b>Current tax</b>		
- Corporation tax	3,826,563	1,965,845
- Adjustments relating to prior years	-	(22,935)
	<u>3,826,563</u>	<u>1,942,910</u>
<b>Deferred tax</b>		
- Origination and reversal of timing differences	1,180,334	195,133
	<u>1,180,334</u>	<u>195,133</u>
<b>Tax on profit on ordinary activities</b>	<u>5,006,897</u>	<u>2,138,043</u>

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is different from the standard rate of corporation tax of 20% (2015: 20.58%). The differences are reconciled below:

	2016 £	2015 £
<b>Profit on ordinary activities before taxation</b>	<u>22,230,874</u>	<u>6,329,026</u>
Profit on ordinary activities multiplied by standard rate of corporation taxation of 20% (2015: 20.58%)	4,446,175	1,302,514
Expenses not deductible for tax purposes (including goodwill amortisation)	631,700	685,009
Movement in excess of capital allowances	(398)	445
Effects of other tax rates/credit	(35,580)	(2,913)
Income not taxable for tax purposes	(35,000)	-
Adjustments to tax charge in respect of previous periods	-	(22,935)
Prior year deferred tax adjustment	-	175,923
	<u>-</u>	<u>-</u>
<b>Total tax charge</b>	<u>5,006,897</u>	<u>2,138,043</u>

### 9. Profit attributable to members of the parent company

No profit and loss account is presented for Swift Acquisitions Limited as provided by section 408 of the Companies Act 2006. The profit dealt within the accounts of the parent company was £300,989 after tax (2015: loss of £76,651).

# Swift Acquisitions Limited

## Notes to the financial statements (continued) Year ended 31 August 2016

### 10. Tangible fixed assets

Group	Leasehold improvements £	Plant, equipment and motor vehicles £	Total £
<b>Cost</b>			
At 1 September 2015	2,860,059	17,874,991	20,735,050
Additions	130,817	4,794,521	4,925,338
Disposals	-	(1,035,936)	(1,035,936)
At 31 August 2016	2,990,876	21,633,576	24,624,452
<b>Depreciation</b>			
At 1 September 2015	2,777,921	13,271,192	16,049,113
Provided during the year	8,153	1,825,588	1,833,741
Disposals	-	(1,027,133)	(1,027,133)
At 31 August 2016	2,786,074	14,069,647	16,855,721
<b>Net book value</b>			
At 31 August 2016	204,802	7,563,929	7,768,731
At 31 August 2015	82,138	4,603,799	4,685,937

### Company

	Plant, equipment and motor vehicles £
<b>Cost</b>	
At 1 September 2015	283,927
Additions	149,897
Disposals	(72,212)
At 31 August 2016	361,612
<b>Depreciation</b>	
At 1 September 2015	135,788
Provided during the year	110,520
Disposals	(72,210)
At 31 August 2016	174,098
<b>Net book value</b>	
At 31 August 2016	187,514
At 31 August 2015	148,139

# Swift Acquisitions Limited

## Notes to the financial statements (continued) Year ended 31 August 2016

### 11. Intangible assets

#### *Group*

#### Goodwill

£

#### Cost

At 1 September 2015 and 31 August 2016

64,753,681

#### Amortisation

#### Amortisation:

At 1 September 2015

10,103,348

Amortised during the year

3,237,684

At 31 August 2016

13,341,032

#### Net book value

At 31 August 2016

51,412,649

At 31 August 2015

54,650,333

Goodwill is being amortised over the directors' estimate of its useful economic life of 20 years.

### 12. Investment

#### *Company*

#### Investment in group undertakings

£

#### Cost

At 1 September 2015 and 31 August 2016

189,546,102

#### Provisions

At 1 September 2015 and 31 August 2016

119,204,757

#### Net book value

At 1 September 2015 and 31 August 2016

70,341,345

The subsidiary undertakings at 31 August 2016 were:

#### *Company*

#### *Nature of business*

Swift Group Limited	Manufacture of touring caravans, motorhomes and holiday homes
Burstwick Freight Services Limited	Caravan and motorhome haulage contractor
Swift Holiday Homes Limited	Non-trading
Swift Motor Homes Limited	Non-trading
Swift Caravans Limited	Non-trading
Autocruise Motorhomes Limited	Non-trading
Swift Leisure Group Limited	Non-trading
Goldfinch Industries Limited	Non-trading – corporate trustee of the Employee Benefit Trust

All of the subsidiary undertakings are wholly owned, incorporated in the UK and the holdings are of ordinary shares.

# Swift Acquisitions Limited

## Notes to the financial statements (continued) Year ended 31 August 2016

### 13. Stocks

<i>Group</i>	2016 £	2015 £
Raw materials	6,351,617	6,731,702
Work in progress	5,395,168	4,762,249
Finished goods	9,284,703	10,878,495
	<u>21,031,488</u>	<u>22,372,446</u>

### 14. Debtors

	Group 2016 £	Company 2016 £	Group 2015 £	Company 2015 £
Trade debtors	15,358,693	-	7,960,144	-
Other debtors	480,187	480,187	1,131,891	270,632
Prepayments	2,268,792	14,060	2,770,416	14,332
Derivative financial assets	9,374,945	-	727,018	-
Deferred tax	-	30,449	241,931	23,711
Amounts owed by subsidiary undertakings	-	-	-	12,090
	<u>27,482,617</u>	<u>524,696</u>	<u>12,831,400</u>	<u>320,765</u>

### 15. Creditors: Amounts falling due within one year

	Group 2016 £	Company 2016 £	Group 2015 £	Company 2015 £
Bank overdraft	-	5,282,580	-	5,572,373
Trade creditors	20,035,256	2,939	21,338,300	5,965
Amounts owed to subsidiary undertakings	-	118,718	-	119,903
Corporation tax	1,517,924	36,242	1,051,226	28,143
Social security and other taxes	1,776,527	70,412	729,231	171,557
Derivative financial liabilities	3,293,808	-	1,971,746	7,407
Accruals	3,097,439	17,460	3,166,366	45,473
Bank loan	6,075,000	6,075,000	1,525,000	1,525,000
	<u>35,795,954</u>	<u>11,603,351</u>	<u>29,781,869</u>	<u>7,475,821</u>

### 16. Creditors: Amounts falling due after more than one year

<i>Group and Company</i>	2016 £	2015 £
Bank loan	-	10,325,000

The bank loan is shown net of deferred financing costs of £75,000 (2015: £150,000) and is repayable within one year.

# Swift Acquisitions Limited

## Notes to the financial statements (continued) Year ended 31 August 2016

### 17. Analysis of net debt

<i>Group</i>	At 31 August 2015 £	Cash flow £	Non cash movement £	At 31 August 2016 £
Cash at bank and in hand	9,910,837	1,140,365	-	11,051,202
Loans	(11,850,000)	5,850,000	(75,000)	(6,075,000)
Net debt	<u>(1,939,163)</u>	<u>6,990,365</u>	<u>(75,000)</u>	<u>4,976,202</u>

### 18. Provisions for liabilities

<i>Group</i>	Warranty provision £	Deferred taxation £	Total provision £
At 31 August 2015	7,133,501	24,196	7,157,697
Movement in the period	1,515,476	938,403	2,453,879
At 31 August 2016	<u>8,648,977</u>	<u>962,599</u>	<u>9,611,576</u>

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

Finance Act No.2 2015, which was substantively enacted on 26 October 2015, includes provisions to reduce the corporation tax rate to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020. Accordingly these rates have been applied when calculating deferred tax assets and liabilities as at 31 August 2016. In addition, Finance Bill 2016 was substantively enacted on 6 September 2016 which introduced a further reduction in the main rate of corporation tax from 18% to 17% from 1 April 2020. As this had not been substantially enacted at the balance sheet date these rates do not apply to the deferred tax position at 31 August 2016 or to the above expected reversal.

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

### 19. Called up share capital

	Authorised Group and company 2016 Number	Allotted, called up and fully paid Group and company 2016 £	Authorised Group and company 2015 Number	Allotted, called up and fully paid Group and company 2015 £
'A1' ordinary shares of £1 each	340,000	340,000	340,000	340,000
'A2' ordinary shares of £1 each	606,000	606,000	660,000	660,000
'B' ordinary shares of £0.0002 each	46,160,000	9,232	46,160,000	9,232
	<u>47,106,000</u>	<u>955,232</u>	<u>47,160,000</u>	<u>1,009,232</u>



## Swift Acquisitions Limited

### Notes to the financial statements (continued) Year ended 31 August 2016

#### 20. Financial commitments

The company has guaranteed the bank loan and overdraft facilities of other group companies. The amount outstanding under such guarantee at 31 August 2016 was £6,150,000 (2015: £12,000,000). The bank borrowings are secured by a debenture and fixed and floating charges over certain assets of the group.

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

	2016		2015	
	Land and buildings £	Other £	Land and buildings £	Other £
<b>Group</b>				
- Within one year	3,017,012	99,465	3,017,012	-
- Between one and two years	12,068,050	315,825	12,068,050	-
- After five years	48,272,198	-	51,289,211	-
	<u>63,357,260</u>	<u>415,290</u>	<u>66,374,273</u>	<u>-</u>

#### 21. Capital commitments

<b>Group</b>	2016 £	2015 £
Amounts authorised and contracted but not provided	<u>562,062</u>	<u>1,191,698</u>

#### 22. 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 2016 a company controlled by his wife, Mrs S Page, charged the company £17,605 (2015: £17,895) for marketing services provided to the company in the normal course of business. At 31 August the company owed £nil (2015: nil) to this company.

During the current year the group rented properties from Swift Holdings (UK) Limited, and Swift Property (East Yorkshire) Limited, companies with common directors and shareholders. Total rentals charged by Swift Holdings (UK) Limited amounted to £ 2,047,209 (2015 £2,023,832) and rents charged by Swift Property (East Yorkshire) Limited amounted to £119,939 (2015 £nil). At the year end the balances outstanding were £nil (2015 £nil).

# Swift Acquisitions Limited

## Notes to the financial statements (continued) Year ended 31 August 2016

### 23. Financial instruments

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

	Group 2016 £	Company 2016 £	Group 2015 £	Company 2015 £
<b>Financial assets</b>				
Measured at fair value through profit and loss				
- Forward foreign currency contracts	9,374,945	-	727,018	-
Measured at undiscounted amount receivable				
- Trade and other debtors	15,838,880	-	9,092,035	-
	<u>25,213,825</u>	<u>-</u>	<u>9,819,053</u>	<u>-</u>
<b>Financial liabilities</b>				
Measured at fair value through profit and loss				
- Forward foreign currency contracts	3,293,808	-	1,964,339	-
- Interest rate swaps	-	-	7,407	7,407
Measured at undiscounted amount receivable				
- Trade and other creditors	24,909,222	209,529	25,233,897	342,898
Measured at amortised cost				
- Bank loan	6,075,000	6,075,000	11,850,000	11,850,000
	<u>34,278,030</u>	<u>6,284,529</u>	<u>39,055,643</u>	<u>12,200,305</u>
<b>Fair value gains and losses</b>			<b>2016 £</b>	<b>2015 £</b>
On financial assets measured at fair value through profit and loss			8,647,927	571,353
On financial liabilities measured at fair value through profit and loss			1,322,062	527,462
			<u>7,325,865</u>	<u>43,891</u>
<b>Interest income and expense</b>				
Total interest income for financial assets at amortised cost			41,573	27,363
Total interest expense for financial liabilities at amortised cost			(377,908)	(551,305)
			<u>(336,335)</u>	<u>(523,942)</u>

Forward foreign currency contracts are values using quoted forward exchange rates and yield curves from quoted interest rates matching maturities of the contracts.

**Notes to the financial statements (continued)**  
**Year ended 31 August 2016**

**24. Transition to FRS 102**

This is the first year that the group has presented its accounts under FRS 102 issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last accounts under previous UK GAAP were for the period ended 31 August 2015 and the date of transition to FRS 102 was therefore 1 September 2014. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard.

**Financial instruments (Section 11)**

On transition to FRS 102, the group adopted section 11 for financial instrument reporting. The foreign currency contracts are recognised on balance sheet at their fair value and movements in the fair value of the instruments are then charged / credited to the profit and loss account.

	At 31 August 2015 £	At 1 September 2014 £
<b>Reconciliation of equity</b>		
Retained earnings under previous UK GAAP	11,271,115	7,124,132
Financial instruments	(1,244,728)	(1,288,728)
	<hr/> 10,026,387	<hr/> 5,835,404
	<hr/>	<hr/>
 <b>Reconciliation of profit or loss</b>		 <b>2015 £</b>
Profit under previous UK GAAP		4,147,092
Financial instruments		43,891
		<hr/> 4,190,983
		<hr/>