

Company Registration No. 11897924 (England and Wales)

**SWIFT CONSTRUCTION GROUP LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2023**

**Richard Luckin**

# SWIFT CONSTRUCTION GROUP LIMITED

## COMPANY INFORMATION

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<b>Director</b>	M Walsh
<b>Secretary</b>	Mrs N Walsh M Walsh
<b>Company number</b>	11897924
<b>Registered office</b>	Reigate Barn Langford Road Wickham Bishops Essex CM8 3JG
<b>Auditor</b>	Rickard Luckin Limited 1st Floor County House 100 New London Road Chelmsford Essex CM2 0RG
<b>Bankers</b>	Natwest 4, 5 High Street Chelmsford Essex CM1 1FZ
<b>Insurance brokers</b>	Kerry London Ltd Premier House 52 London Road Twickenham Middlesex TW1 3RJ
<b>Solicitors</b>	Holmes & Hills LLP A12 Commercial Hub 86 London Road Marks Tey Colchester Essex CO6 1ED

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# SWIFT CONSTRUCTION GROUP LIMITED

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# SWIFT CONSTRUCTION GROUP LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MAY 2023

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The director presents the strategic report for the year ended 31 May 2023.

#### Fair Review of the Business

##### Overview

The principal activity of the company was that of a holding company. Its subsidiary, Swift Brickwork Contractors Limited's principal activity continued to be that of brickwork contractors providing and installing masonry solutions, brickwork, blockwork, stonework and prefabricated options to all sectors within the Construction Industry.

The group strives to be one of the UK's leading brickwork and masonry contractors and to deliver "excellence without compromise" to all its clients. As described below in the financial results section we achieved a very solid set of numbers on the back of a strong order book brought forward. That said the past year has also been very challenging in many ways. The less favourable economic outlook, the rapid increases in inflation and the sharp rises in interest rates have undoubtedly affected confidence in the economy. Like many industries the construction industry has been impacted by this and particularly with respect to material price inflation. To mitigate the worst effects of these increases we have continued to negotiate closely with our key suppliers and have forward purchased where possible. Therefore, in summary despite the challenging times the board are delighted to report this solid set of results.

##### Financial results

Turnover from continuing operations in 2022 at £54.1m was a record year for the group and in line with our expectations this year's turnover was down by 12% to £47.6m. This generated a gross profit margin of £6.5m (2022 continuing operations: £6.8m) and a gross profit percentage of 13.7% (2022 continuing operations: 12.6%). Despite the challenges mentioned above the gross profit percentage increased this year principally due a differing mix in the portfolio of sites worked on and their relative profitability comparing year on year. We also provided for some unforeseen costs on legacy projects in the prior year which had a negative effect in that year relative to 2023.

Overheads at £3.7m were in line with last year albeit they did increase marginally by £79k. After deducting tax of £0.5m from the profit generated in the year net assets rose by £2.4m to £11.8m. Within this cash at bank increased from £3.2m in 2022 to £6.6m this year.

#### Future Prospects

Despite the uncertainty surrounding the economy the board are cautiously optimistic for the success of the group for 2024 and beyond. We have a strong balance sheet and with a proven track record of working for tier 1 contractors we are in a good position to move forward. In addition, as we aren't focused only on one market for our work this helps spread the risk in more challenging economic times.

Securing new projects has become increasingly more competitive in the past year. Despite this our pipeline of new work is healthy, from diverse sectors with a large proportion already secured for 2024. However, for the foreseeable future the key to continuing to secure new work will be to ensure we are "totally on top of our game" in terms of offering the best possible price to our clients at a level that represents an acceptable profit margin for the company.

# SWIFT CONSTRUCTION GROUP LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

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### Key Performance Indicators

The Board monitors and controls the performance of the group using a number of financial key performance indicators which focus on turnover, profitability and cash generation on a project by project basis. The performance of each project is kept under constant review via a number of monthly meetings and action is taken where a project is not performing as expected.

	2023	2022
Turnover	£47.6m	£54.1m
Gross profit margin	13.7%	12.6%
Cash at bank and in hand	£6.6m	£3.2m

### Principal Risks and Uncertainties

Like all businesses the group faces a number of risks and uncertainties. Some of these are outside of the Board's control, for example the macro economic environment, whilst for others the Board can, to some extent, exercise a degree of control over them. The key risks and uncertainties over which the Board can exert a degree of control are:

- being able to source sufficient labour at the right price, at the right time and in the right place;
- being able to generate enough cash flow to continue funding its operations; and
- inaccurate pricing of fixed priced projects especially during periods of high inflation.

To mitigate these risks and uncertainties:

- the company employs approximately 600 operatives across London and the South East and therefore has the ability to transfer resources accordingly. We also proactively and regularly recruit apprentices into the business;
- the company regularly reviews cash flow forecasts to highlight potential "pinch points"; and
- tenders for work are reviewed by senior management before being submitted

### Financial Instruments

#### *Risk management*

The group operates a treasury function which is responsible for managing the liquidity and interest associated with the group's activities.

The group manages interest rate risks arising from its activities, and bank overdrafts and loans, the main purpose of which is to raise finance for the group's operations. In addition, the group has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from its operations.

#### *Liquidity risk*

The group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the group has sufficient liquid resources to meet the operating needs of the business. Funds are transferred between group companies to assist in managing this risk.

#### *Interest rate risk*

The group is exposed to fair value interest rate risk on its borrowings and cash flow interest rate risk on bank overdrafts and loans. The group manages the mix of fixed and variable rate debt so as to reduce its exposure to changes in interest rates.

## **SWIFT CONSTRUCTION GROUP LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MAY 2023***

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#### ***Credit risk***

Investments of cash surpluses and borrowings are made through banks and companies which must fulfil credit rating criteria approved by the Board. All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

#### **Customer Care and Corporate Social Responsibility**

The group has placed the utmost importance on delivering a quality service, in a safe manner and with full regard and respect for the environment. These core values have provided the foundation upon which the group operates.

By being both a successful and responsible business, not only do we meet the requirements of our clients, workforce and shareholders but also the wider social community and the environment in general.

We would like to thank all our employees, clients and suppliers for their continued support during the past year.

On behalf of the board

M Walsh  
**Director**

5 October 2023

# **SWIFT CONSTRUCTION GROUP LIMITED**

## **DIRECTOR'S REPORT**

### **FOR THE YEAR ENDED 31 MAY 2023**

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The director presents his annual report and financial statements for the year ended 31 May 2023.

#### **Results and dividends**

The results for the year are set out on page 10.

Interim ordinary dividends were paid amounting to £nil. The director does not recommend payment of a final dividend.

#### **Director**

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

M Walsh

#### **Auditor**

In accordance with the company's articles, a resolution proposing that Rickard Luckin Limited be reappointed as auditor of the group will be put at a General Meeting.

#### **Statement of director's responsibilities**

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the director is 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 ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

#### **Statement of disclosure to auditor**

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

**SWIFT CONSTRUCTION GROUP LIMITED**

**DIRECTOR'S REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MAY 2023***

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On behalf of the board

M Walsh  
Director

5 October 2023

# SWIFT CONSTRUCTION GROUP LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SWIFT CONSTRUCTION GROUP LIMITED

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#### Opinion

We have audited the financial statements of Swift Construction Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 May 2023 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 May 2023 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.

#### 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 group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 group's and parent 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 director with respect to going concern are described in the relevant sections of this report.

#### Other information

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

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

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

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

# **SWIFT CONSTRUCTION GROUP LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF SWIFT CONSTRUCTION GROUP LIMITED**

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

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's report.

We have nothing to report in respect of the following matters in relation to which 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.

#### **Responsibilities of director**

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is responsible for assessing the parent 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 director either intends to liquidate the parent company or to cease operations, or has 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.

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.

#### **Capability of the audit in detecting irregularity, including fraud**

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our: general commercial and sector experience; through verbal and written communications with those charged with governance and other management; and via inspection of the parent company's regulatory and legal correspondence.

We discussed with those charged with governance and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations to our team and remained alert to any indicators of non-compliance throughout the audit, we also specifically considered where and how fraud may occur within the group and the parent company.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the parent company and the group is subject to laws and regulations that directly affect the financial statements, including: the company's constitution; relevant financial reporting standards; company law; tax legislation and distributable profits legislation and we assess the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

## **SWIFT CONSTRUCTION GROUP LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF SWIFT CONSTRUCTION GROUP LIMITED**

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Secondly the parent company and the group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on the amounts or disclosures in the financial statements, for instance through the imposition of fines and penalties, or through losses arising from litigations. We identified the following areas as those most likely to have such an affect: operating licenses relating to the construction industry and building regulations; employment legislation; health and safety legislation; data protection legislation; anti-bribery and anti-corruption legislation.

ISAs (UK) limit the required procedures to identify non-compliance with these laws and regulations and no procedures over and above those already noted are required. These limited procedures did not identify any actual or suspected non-compliance with laws and regulations that could have a material impact on the financial statements.

In relation to fraud, we performed the following specific procedures in addition to those already noted:

- Challenging assumptions made by management in its significant accounting estimates in particular: accounting for long term contracts, depreciation and provisions;
- Identifying and testing journal entries, in particular any entries posted with unusual nominal ledger account combinations, journal entries crediting any revenue account, and journal entries posted by senior management;
- Performing analytical procedures to identify unexpected movements in account balances which may be indicative of fraud;
- Ensuring that testing undertaken on both the performance statement, and the Balance Sheet includes a number of items selected on a random basis; and
- Discussions with management.

These procedures did not identify any actual or suspected fraudulent irregularity that could have a material impact on the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with ISAs (UK). For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the procedures that we are required to undertake would identify it. In addition, as with any audit, there remains a high risk of non-detection of irregularities, as these might involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal controls. We are not responsible for preventing non-compliance with laws and regulations or fraud, and cannot be expected to detect non-compliance with all laws and regulations or every incidence of fraud.

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

## **SWIFT CONSTRUCTION GROUP LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF SWIFT CONSTRUCTION GROUP LIMITED**

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##### **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.

**Joanna Southon (Senior Statutory Auditor)**  
**For and on behalf of Rickard Luckin Limited**

5 October 2023

**Chartered Accountants**  
**Statutory Auditor**

1st Floor  
County House  
100 New London Road  
Chelmsford  
Essex  
CM2 0RG

**SWIFT CONSTRUCTION GROUP LIMITED**  
**GROUP STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MAY 2023**

	Notes	Continuing operations	Discontinued operations	31 May 2023	Continuing operations	Discontinued operations	31 May 2022
		£	£	£	£	£	£
<b>Turnover</b>	<b>3</b>	47,638,356	-	47,638,356	54,149,003	7,701,321	61,850,324
<b>Cost of sales</b>		(41,111,262)	-	(41,111,262)	(47,309,813)	(7,011,170)	(54,320,983)
<b>Gross profit</b>		6,527,094	-	6,527,094	6,839,190	690,151	7,529,341
<b>Administrative expenses</b>		(3,669,428)	-	(3,669,428)	(3,590,679)	(722,669)	(4,313,348)
<b>Other operating income</b>		-	-	-	7,104	5,460	12,564
<b>Operating profit</b>	<b>4</b>	2,857,666	-	2,857,666	3,255,615	(27,056)	3,228,557
<b>Interest receivable and similar income</b>	<b>8</b>	-	-	-	1,644	104	1,748
<b>Interest payable and similar expenses</b>	<b>9</b>	(10,798)	-	(10,798)	(7,274)	(2,040)	(9,314)
<b>Profit/(loss) on disposal of operations</b>	<b>25</b>	-	-	-	-	(6,569,205)	(6,569,205)
<b>Profit/(loss) before taxation</b>		2,846,868	-	2,846,868	3,249,985	(6,598,199)	(3,348,214)
<b>Tax on profit/(loss)</b>	<b>10</b>	(478,460)	-	(478,460)	(453,598)	-	(453,598)
<b>Profit/(loss) for the financial year</b>	<b>24</b>	2,368,408	-	2,368,408	2,796,387	(6,598,199)	(3,801,812)

Profit/(loss) for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

# SWIFT CONSTRUCTION GROUP LIMITED

## GROUP BALANCE SHEET

AS AT 31 MAY 2023

	Notes	2023		2022	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		646,951		682,498
Investment property	13		-		103,950
			<u>646,951</u>		<u>786,448</u>
<b>Current assets</b>					
Debtors	16	10,214,340		12,526,026	
Cash at bank and in hand		6,622,283		3,151,427	
		<u>16,836,623</u>		<u>15,677,453</u>	
<b>Creditors: amounts falling due within one year</b>	17	(5,128,079)		(6,213,557)	
<b>Net current assets</b>			<u>11,708,544</u>		<u>9,463,896</u>
<b>Total assets less current liabilities</b>			<u>12,355,495</u>		<u>10,250,344</u>
<b>Creditors: amounts falling due after more than one year</b>	18		(34,142)		(147,399)
<b>Provisions for liabilities</b>					
Provisions	20	450,000		600,000	
Deferred tax liability	21	57,000		57,000	
		<u>(507,000)</u>		<u>(657,000)</u>	
<b>Net assets</b>			<u><u>11,814,353</u></u>		<u><u>9,445,945</u></u>
<b>Capital and reserves</b>					
Called up share capital	23		330		330
Other reserves	24		(9,307,330)		(9,307,330)
Profit and loss reserves	24		21,121,353		18,752,945
<b>Total equity</b>			<u><u>11,814,353</u></u>		<u><u>9,445,945</u></u>

The financial statements were approved and signed by the director and authorised for issue on 5 October 2023

M Walsh  
Director

Company registration number 11897924 (England and Wales)

# SWIFT CONSTRUCTION GROUP LIMITED

## COMPANY BALANCE SHEET

AS AT 31 MAY 2023

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Investments	14		11,895,000		11,895,000
<b>Current assets</b>		-		-	
<b>Creditors: amounts falling due within one year</b>	17	(19,680)		-	
<b>Net current liabilities</b>			(19,680)		-
<b>Net assets</b>			11,875,320		11,895,000
<b>Capital and reserves</b>					
Called up share capital	23		330		330
Other reserves	24		11,894,670		11,894,670
Profit and loss reserves	24		(19,680)		-
<b>Total equity</b>			11,875,320		11,895,000

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £19,680 (2022 - £7,351,250 loss).

The financial statements were approved and signed by the director and authorised for issue on 5 October 2023

M Walsh  
Director

Company registration number 11897924 (England and Wales)

# SWIFT CONSTRUCTION GROUP LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2023

		Share capital	Merge reserve	Profit and loss reserves	Total
	Notes	£	£	£	£
<b>Balance at 1 June 2021</b>		330	(9,307,330)	23,203,507	13,896,507
<b>Year ended 31 May 2022:</b>					
Loss and total comprehensive income		-	-	(3,801,812)	(3,801,812)
Dividends	11	-	-	(648,750)	(648,750)
<b>Balance at 31 May 2022</b>		330	(9,307,330)	18,752,945	9,445,945
<b>Year ended 31 May 2023:</b>					
Profit and total comprehensive income		-	-	2,368,408	2,368,408
<b>Balance at 31 May 2023</b>		330	(9,307,330)	21,121,353	11,814,353

# SWIFT CONSTRUCTION GROUP LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2023

		Share capital	MergeProfit and loss reserve reserves	Total
	Notes	£	£	£
<b>Balance at 1 June 2021</b>		330	19,894,670	-
<b>Year ended 31 May 2022:</b>				
Loss and total comprehensive income for the year		-	-	(7,351,250)
Dividends	11	-	-	(648,750)
Demerger of subsidiaries		-	(8,000,000)	8,000,000
<b>Balance at 31 May 2022</b>		330	11,894,670	-
<b>Year ended 31 May 2023:</b>				
Profit and total comprehensive income		-	-	(19,680)
<b>Balance at 31 May 2023</b>		330	11,894,670	(19,680)

# SWIFT CONSTRUCTION GROUP LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2023

		2023	2022
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	31	4,012,675	4,131,959
Interest paid		(10,798)	(9,314)
Income taxes paid		(385,179)	(344,221)
<b>Net cash inflow from operating activities</b>		<b>3,616,698</b>	<b>3,778,424</b>
<b>Investing activities</b>			
Purchase of tangible fixed assets		(188,215)	(1,213,424)
Proceeds from disposal of tangible fixed assets		37,375	106,187
Proceeds from disposal of investment property		130,000	-
Cash on disposal of subsidiary		-	(778,313)
Interest received		-	1,748
<b>Net cash used in investing activities</b>		<b>(20,840)</b>	<b>(1,883,802)</b>
<b>Financing activities</b>			
Payment of finance leases obligations		(125,002)	(66,252)
Dividends paid to equity shareholders		-	(536,250)
<b>Net cash used in financing activities</b>		<b>(125,002)</b>	<b>(602,502)</b>
<b>Net increase in cash and cash equivalents</b>		<b>3,470,856</b>	<b>1,292,120</b>
Cash and cash equivalents at beginning of year		3,151,427	1,859,307
<b>Cash and cash equivalents at end of year</b>		<b>6,622,283</b>	<b>3,151,427</b>

# SWIFT CONSTRUCTION GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2023

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### 1 Accounting policies

#### Company information

Swift Construction Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Reigate Barn, Langford Road, Wickham Bishops, Essex, CM8 3JG.

The group consists of Swift Construction Group Limited and all of its subsidiaries.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements have been prepared under the historical cost convention, modified to include include investment properties at fair value. The principal accounting policies adopted are set out below.

As permitted by S408 Companies Act 2006, the company has not presented its own statement of cash flows and profit and loss accounts and related notes. The company's loss for the year was £19,680 (2022 - £7,351,250).

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where this company prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of an exemption from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures.

#### 1.2 Basis of consolidation

The consolidated profit and loss account, statement of comprehensive income and balance sheet include the financial statements of the company and its material subsidiary undertakings made up to 31 May 2023 or up to the date of disposal of a subsidiary, under the merger accounting method. Under merger accounting, the consolidated financial statements merge the financial statements of those undertakings of Swift Construction Group Limited as if they had always been owned. Accordingly, in those years where mergers take place, the whole of the results, assets, liabilities and shareholders' funds of the merged companies are consolidated, regardless of the actual merger date, and corresponding figures for previous years are shown as though the group had always existed. Intra-group sales and profits are eliminated fully on consolidation.

#### 1.3 Going concern

The financial statements are prepared under the going concern basis.

At the time of approving the financial statements, the director has a reasonable expectation that the group has adequate resources to continue in operational existence for at least the next 12 months from the date these financial statements are signed. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.4 Turnover

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

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is shown as the total amount of work having been done in that period, as set out in note 1.9.

# SWIFT CONSTRUCTION GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets

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

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

Leasehold improvements	10% Straight line
Plant and machinery	10% Straight line
Fixtures, fittings and equipment	10% and 33% Straight Line
Motor vehicles	25% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.6 Investment property

Developments included within investment properties comprise the company's right to receive ground rents and are stated at their open market value. No depreciation is provided on these assets. They are valued by the Directors when the developments are complete.

Subsequently they are measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

#### 1.7 Fixed asset investments

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

# SWIFT CONSTRUCTION GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 1 Accounting policies

(Continued)

#### 1.9 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, they are not included in contract costs if the contract is obtained in a subsequent period.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the value of work completed to date compared to the estimated total contract value.

#### 1.10 Cash and cash equivalents

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

#### 1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

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

# SWIFT CONSTRUCTION GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 1 Accounting policies

(Continued)

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

#### **Derecognition of financial liabilities**

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

### 1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

### 1.13 Taxation

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

# SWIFT CONSTRUCTION GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 1 Accounting policies

(Continued)

#### *Current tax*

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

Research and development tax credits are recognised as a credit to the tax charge during the year in which the claim was made.

#### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

#### 1.14 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### 1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.16 Retirement benefits

The group operates a defined benefit contribution scheme for the benefit of its directors and employees. Contributions payable are charged to the profit and loss account in the year they are payable.

# SWIFT CONSTRUCTION GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 1 Accounting policies

(Continued)

#### 1.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

#### 1.18 Exceptional items

Income and expenses classified as exceptional are shown separately on the face of the profit and loss account. Income and expenses are treated as exceptional in nature if they are significant one off income or expenses and are not expected to reoccur.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# SWIFT CONSTRUCTION GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 2 Judgements and key sources of estimation uncertainty

(Continued)

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

#### Valuation of long term contracts

Turnover is recognised on long term contracts as they progress. There is a certain level of estimation and judgement involved in arriving at these valuations and therefore the amounts to be recognised as turnover, and therefore the gross profit margin.

#### Provisions

Provisions for remedial work have been provided on the basis of the directors expectations of the costs required to carry out the remediation. There is an inherent uncertainty in these estimations due to the fluctuations in labour and materials costs and the levels of remediation required on each project.

#### Carrying value of investments

The carrying value of the fixed asset investments were reviewed by the directors at the year end. As a result of a group reconstruction in the prior year, assets had been transferred out of the group and as a result of this, the director concluded that a provision against the investment was necessary. There has been no further transactions in the current year.

### 3 Turnover and other revenue

	2023 £	2022 £
<b>Turnover analysed by class of business</b>		
Income recognised from construction contracts	47,638,356	54,149,003
Scaffolding contracts	-	7,701,321
	<u>47,638,356</u>	<u>61,850,324</u>
	2023 £	2022 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	47,638,356	61,850,324
	<u>47,638,356</u>	<u>61,850,324</u>
	2023 £	2022 £
<b>Other revenue</b>		
Interest income	-	1,748
Rental income arising from investment properties	-	7,104
Sundry income	-	5,460
	<u>-</u>	<u>14,312</u>

# SWIFT CONSTRUCTION GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 4 Operating profit

	2023 £	2022 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	126,657	829,814
Depreciation of tangible fixed assets held under finance leases	83,599	84,384
Exceptional loss on disposal	-	6,569,205
Profit on disposal of tangible fixed assets	(23,869)	(48,783)
Profit on disposal of investment property	(26,050)	-
Operating lease charges	100,000	175,000

### 5 Auditor's remuneration

	2023 £	2022 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	19,680	32,000
Audit of the financial statements of the company's subsidiaries	34,000	24,285
	53,680	56,285

### 6 Employees

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

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
Office administration	33	44	-	-
Site work force	62	119	-	-
Total	95	163	-	-

Their aggregate remuneration comprised:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Wages and salaries	5,416,091	7,303,833	-	-
Social security costs	590,952	779,508	-	-
Pension costs	68,627	71,737	-	-
	6,075,670	8,155,078	-	-

# SWIFT CONSTRUCTION GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 7 Director's remuneration

	2023 £	2022 £
Remuneration for qualifying services	36,707	14,687
Company pension contributions to defined contribution schemes	-	91
	<u>36,707</u>	<u>14,778</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to Nil (2022 - 1)

### 8 Interest receivable and similar income

	2023 £	2022 £
<b>Interest income</b>		
Interest on bank deposits	-	105
Other interest income	-	1,643
	<u>-</u>	<u>1,748</u>
Total income	<u>-</u>	<u>1,748</u>

### 9 Interest payable and similar expenses

	2023 £	2022 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Other interest on financial liabilities	-	5,572
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	10,798	3,742
	<u>10,798</u>	<u>9,314</u>
Total finance costs	<u>10,798</u>	<u>9,314</u>

### 10 Taxation

	2023 £	2022 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	478,460	461,187
Adjustments in respect of prior periods	-	311
	<u>478,460</u>	<u>461,498</u>
Total current tax	<u>478,460</u>	<u>461,498</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	(7,900)
	<u>-</u>	<u>(7,900)</u>
Total tax charge	<u>478,460</u>	<u>453,598</u>

Of the charge to current tax in relation to discontinued operations in the prior year, £nil relates to tax on profits and £nil arose on disposal.

# SWIFT CONSTRUCTION GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 10 Taxation

(Continued)

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

	2023 £	2022 £
Profit/(loss) before taxation	2,846,868	(3,348,214)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 20.00% (2022: 19.00%)	569,451	(636,161)
Tax effect of expenses that are not deductible in determining taxable profit	30,440	1,349,689
Gains not taxable	(3,182)	-
Change in unrecognised deferred tax assets	5,194	11,600
Effect of change in corporation tax rate	(1,038)	22,921
Group relief	(3,937)	-
Permanent capital allowances in excess of depreciation	(3,849)	(94,390)
Depreciation on assets not qualifying for tax allowances	2,571	2,455
Research and development tax credit	(117,190)	(202,827)
Under/(over) provided in prior years	-	311
Taxation charge	478,460	453,598

### 11 Dividends

	2023 £	2022 £
Recognised as distributions to equity holders:		
Interim paid	-	648,750

In the prior year, dividends comprised of £536,250 interim dividends paid plus £112,500 dividends in specie as part of the group restructure. In the current year there were no dividends paid.

# SWIFT CONSTRUCTION GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 12 Tangible fixed assets

Group	Leasehold improvements	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 June 2022	170,729	44,900	207,128	731,763	1,154,520
Additions	-	12,700	33,056	142,459	188,215
Disposals	-	-	(5,952)	(87,114)	(93,066)
At 31 May 2023	170,729	57,600	234,232	787,108	1,249,669
<b>Depreciation and impairment</b>					
At 1 June 2022	44,542	21,735	127,350	278,395	472,022
Depreciation charged in the year	17,073	4,036	35,832	153,315	210,256
Eliminated in respect of disposals	-	-	(5,942)	(73,618)	(79,560)
At 31 May 2023	61,615	25,771	157,240	358,092	602,718
<b>Carrying amount</b>					
At 31 May 2023	109,114	31,829	76,992	429,016	646,951
At 31 May 2022	126,187	23,165	79,778	453,368	682,498

The company had no tangible fixed assets at 31 May 2023 or 31 May 2022.

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

	Group 2023 £	2022 £	Company 2023 £	2022 £
Motor vehicles	218,394	301,993	-	-

### 13 Investment property

Investment properties at the prior year end represented the group's freehold interest in land on which developments have been completed and were valued at £103,950 by the directors. The historical cost of these properties amounted to £103,950.

These properties were disposed of during the year.

### 14 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	15	-	-	11,895,000	11,895,000

# SWIFT CONSTRUCTION GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 14 Fixed asset investments (Continued)

Movements in fixed asset investments	Shares in subsidiaries
Company	£
<b>Cost or valuation</b>	
At 1 June 2022	29,203,000
<b>Impairment</b>	
At 1 June 2022 and 31 May 2023	17,308,000
<b>Carrying amount</b>	
At 31 May 2023	11,895,000
At 31 May 2022	11,895,000

### 15 Subsidiaries

Details of the company's subsidiaries at 31 May 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Swift Brickwork Contractors Limited	England	Brickwork contractors	Ordinary	100.00
Swift Developments Limited	England	Dormant	Ordinary	100.00

### 16 Debtors

	Group 2023 £	2022 £	Company 2023 £	2022 £
<b>Amounts falling due within one year:</b>				
Trade debtors	3,264,195	2,749,745	-	-
Gross amounts owed by contract customers	6,555,166	8,977,075	-	-
Corporation tax recoverable	-	19,258	-	-
Other debtors	317,619	706,505	-	-
Prepayments and accrued income	77,360	73,443	-	-
	<u>10,214,340</u>	<u>12,526,026</u>	<u>-</u>	<u>-</u>

Included within trade debtors are balances of £2,625,955 (2022: £2,330,926) due in more than one year.

# SWIFT CONSTRUCTION GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 17 Creditors: amounts falling due within one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Obligations under finance leases	19	112,107	123,852	-	-
Trade creditors		3,802,628	4,840,516	-	-
Corporation tax payable		74,023	-	-	-
Other taxation and social security		143,155	247,363	-	-
Other creditors		576,277	580,462	-	-
Accruals and deferred income		419,889	421,364	19,680	-
		<u>5,128,079</u>	<u>6,213,557</u>	<u>19,680</u>	<u>-</u>

Finance leases are secured over the assets to which they relate.

Included within creditors are materials that are subject to a reservation of title.

### 18 Creditors: amounts falling due after more than one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Obligations under finance leases	19	34,142	147,399	-	-
		<u>34,142</u>	<u>147,399</u>	<u>-</u>	<u>-</u>

### 19 Finance lease obligations

	Group 2023 £	2022 £	Company 2023 £	2022 £
Future minimum lease payments due under finance leases:				
Within one year	117,100	129,226	-	-
In two to five years	35,848	155,134	-	-
	<u>152,948</u>	<u>284,360</u>	<u>-</u>	<u>-</u>
Less: future finance charges	(6,699)	(13,109)	-	-
	<u>146,249</u>	<u>271,251</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

# SWIFT CONSTRUCTION GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 20 Provisions for liabilities

	Group 2023 £	2022 £	Company 2023 £	2022 £
Provision for defects	450,000	600,000	-	-

Movements on provisions:

Group	Provision for defects £
At 1 June 2022	600,000
Utilisation of provision	(150,000)
At 31 May 2023	450,000

Provisions made in the current year relate to remedial work to be carried out on contracts completed in prior years. These are expected to fall due within the next twelve months. There is also a contingent liability in respect of remedial work to be carried out as stated in note 26 to the financial statements.

### 21 Deferred taxation

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

Group	Liabilities 2023 £	Liabilities 2022 £
Accelerated capital allowances	57,000	57,000

The company has no deferred tax assets or liabilities.

There were no deferred tax movements in the year.

The deferred tax liability set out above is expected to reverse after 12 months.

### 22 Retirement benefit schemes

Defined contribution schemes	2023 £	2022 £
Charge to profit or loss in respect of defined contribution schemes	68,627	71,737

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The amounts payable as at the balance sheet date in respect of pension contributions was £17,468 (2022: £16,565).

## SWIFT CONSTRUCTION GROUP LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

#### 23 Share capital

Group and company	2023	2022	2023	2022
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
A Ordinary shares of 33p each	1,000	1,000	330	330
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

A class shares have rights to all business, assets and liabilities. They carry one vote and no right to fixed income.

#### 24 Reserves

##### Profit and loss reserves

##### Group

Profit and loss reserves

As at the balance sheet date the group's profit and loss reserves are wholly distributable.

Merger Reserve

In accordance with the accounting policy 1.2, the group has adopted the merger accounting method. On consolidation, this has given rise to a merger reserve. There have been no movements on this reserve during the current year.

##### Company

Profit and loss reserves

The company does not have any distributable profit and loss reserves in the current or prior period.

Merger relief reserves

The merger relief reserve arose on the acquisition of its subsidiary in 2020. There have been no movements on this reserve during the current year.

#### 25 Disposals

In the prior year, as part of a group restructure, the group distributed its former wholly owned subsidiary Swift Scaffolding Limited to Swift UK Holdings Limited, the ultimate parent company, before it was demerged from the group. Included in the prior year, is a loss on disposal of £6,569,205 arising from the demerger of Swift Scaffolding Limited.

#### 26 Financial commitments, guarantees and contingent liabilities

In addition to the provision made in note 20, the group may be liable for remedial work on contracts completed before the year end. The outcome of these claims and the amounts that may be incurred in carrying out the remedial works are unknown. These costs cannot be reliably estimated at the balance sheet date.

## SWIFT CONSTRUCTION GROUP LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

#### 27 Operating lease commitments

##### Lessee

Operating lease payments represent rentals payable by the company for the use of land & buildings. Lease rentals are fixed for an average of 5 years.

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Within one year	100,000	100,000	-	-
Between two and five years	8,333	108,333	-	-
	<u>108,333</u>	<u>208,333</u>	<u>-</u>	<u>-</u>

#### 28 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	<u>197,726</u>	<u>224,360</u>

##### Other information

The company has taken advantage of the exemption in FRS 102 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements have been prepared.

As at 31 May 2023 the group was owed a total of £87,243 (2022: £76,365) by companies under common influence.

During the year rent totaling £100,000 (2022: £100,000) was paid by the group to the pension scheme of which the director is a member.

During the year the group paid £75,167 (2022: £77,384) to family members of the director.

#### 29 Directors' transactions

Included within debtors is a loan due from a director of £14,289 (2022: £39,126). During the year, the director made net repayment to the company of £24,837 (2022: £62,106). The interest rate applied to the loan is nil.

# SWIFT CONSTRUCTION GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 30 Controlling party

At the prior and current year end date Swift UK Holdings is the immediate parent company and also the ultimate parent company. The director, M Walsh, is the ultimate controlling party.

Swift UK Holdings Limited prepare consolidated financial statements which are available from the company's registered office.

### 31 Cash generated from group operations

	2023 £	2022 £
Profit/(loss) for the year after tax	2,368,408	(3,801,812)
<b>Adjustments for:</b>		
Taxation charged	478,460	453,598
Finance costs	10,798	9,314
Investment income	-	(1,748)
Gain on disposal of tangible fixed assets	(23,869)	(48,783)
Gain on disposal of investment property	(26,050)	-
(Gain)/loss on disposal of business	-	6,569,205
Depreciation and impairment of tangible fixed assets	210,256	914,198
Decrease in provisions	(150,000)	(360,000)
<b>Movements in working capital:</b>		
Decrease in debtors	2,292,428	619,446
Decrease in creditors	(1,147,756)	(221,459)
<b>Cash generated from operations</b>	<b>4,012,675</b>	<b>4,131,959</b>

### 32 Analysis of changes in net funds - group

	1 June 2022 £	Cash flows £	31 May 2023 £
Cash at bank and in hand	3,151,427	3,470,856	6,622,283
Obligations under finance leases	(271,251)	125,002	(146,249)
	<b>2,880,176</b>	<b>3,595,858</b>	<b>6,476,034</b>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.