

Company Registration No. 11897924 (England and Wales)

SWIFT CONSTRUCTION GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021



:RickardLuckin

SWIFT CONSTRUCTION GROUP LIMITED

COMPANY INFORMATION

Director	M Walsh
Secretary	Mrs N Walsh M Walsh
Company number	11897924
Registered office	Reigate Barn Langford Road Wickham Bishops Essex CM8 3JG
Auditor	Rickard Luckin Limited 1st Floor County House 100 New London Road Chelmsford Essex CM2 0RG

SWIFT CONSTRUCTION GROUP LIMITED

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SWIFT CONSTRUCTION GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MAY 2021

The director presents the strategic report for the year ended 31 May 2021.

Fair review of the business

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 also offers the service of supply, erection and dismantle of scaffolding and access through its Swift Scaffolding Limited subsidiary.

The directors are delighted with the performance of the group during the year. Turnover and profit were both up on last year against the backdrop of continued uncertainty surrounding the Covid 19 pandemic and Brexit. Both factors have, without doubt presented unprecedented operational and logistical challenges to the whole construction industry principally in the form of labour shortages, increasing labour and material prices and supply chain issues.

Despite this the industry has remained buoyant throughout the period and demand for the group's services has remained very high. The group operates in a diverse number of markets namely, commercial, residential, retail, public sector and infrastructure and this diversification of services has helped to mitigate the effect of these pressures. This, coupled with the continued commitment and dedication of our staff and business partners has enabled the business to weather the "Covid 19 and Brexit storm" very well and to post a solid set of financial results.

Gross profit increased from £5,602,923 in 2020 to £8,216,536 this year on the back of a 50% increase in turnover. The margin did however come under increasing pressure as the year progressed resulting in a reduction from 16.1% to 15.7%. This was predominantly due to the combined effect of the price pressures mentioned above but also from additional costs and provisions on legacy sites. Administrative expenses fell slightly by £14,302 to £4,075,765 and an exceptional loss of £964,124 was made on the disposal of assets as part of a wider group reorganisation. Net profit before tax ended the year at £3,398,321 an increase of £1,078,458 from the prior year. With the exceptional loss stripped out of these figures the like for like comparison was a £2,042,582 increase in net profit. As for cash the year end balance of £1,859,307 was substantially lower than the prior year mainly due to a significant investment in new scaffold material. Further investment was also made in additional new heavy goods vehicles to provide an efficient and environmentally friendly service for our clients.

Key Performance Indicators

The board monitors and controls the performance of the company 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.

	2021	2020
Turnover	£52.2m	£34.7m
Gross profit margin	15.7%	16.1%
Net cash flow from operating activities	£0.9m	£4.8m

SWIFT CONSTRUCTION GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

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 macroeconomic environment whilst others the board can, to some extent, exert a degree of control over. 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 and
- being able to generate enough cash flow to continue funding its operations

To mitigate these risks and uncertainties:

- the company proactively and regularly recruits apprentices into the business
- a bank overdraft facility is in place to provide a buffer in the event of cash flow "pinch points"

Financial instruments

Risk management

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

The group manages interest rate risks arising from the group's 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 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.

Foreign currency risk

The group's principal foreign currency exposures arise from trading with overseas companies. Group policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling.

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 and retentions are reviewed on a regular basis and provision is made for doubtful debts where necessary.

SWIFT CONSTRUCTION GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

Future prospects

Despite all the pressures and challenges that have arisen over the past few years, the directors fully expect continued profitability and success in the coming year with a strong order book and pipeline of work.

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 for the environment. These core values have provided the foundation upon which the company 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 this difficult period.

Group Reorganisation

The group simplified its structure during the year. This resulted in this company becoming the parent company for the group. As part of the group restructure, most of the group's investment properties and the trading property as well as Dalmasco LLC (a subsidiary) were transferred to Swift Investment Properties Limited and Swift Trading Properties Limited. These three entities were then subsequently demerged from the group. As shown on the group profit and loss account, the group made an exceptional loss on disposal of £964,124 as a result of this reorganisation.

Events After the Balance Sheet Date

After the year end there was a further reorganisation of the group. Swift Scaffolding Limited was demerged from the group. M Walsh became the ultimate controlling party. The ultimate parent company of the group is now Swift UK Holdings Limited.

On behalf of the board



M Walsh
Director

Date: 17/03/2022

SWIFT CONSTRUCTION GROUP LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MAY 2021

The director presents his annual report and financial statements for the year ended 31 May 2021.

Results and dividends

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

Interim ordinary dividends were paid amounting to £642,000. The directors do 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:

N Moye
M Walsh

(Resigned 4 March 2022)

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 financial statements;
- prepare the financial statements 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 directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves 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 2021

On behalf of the board



M Walsh
Director

Date: 17/03/2022

SWIFT CONSTRUCTION GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SWIFT CONSTRUCTION GROUP LIMITED

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 2021 which comprise the group profit and loss account, 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 FRS 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 2021 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 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.

SWIFT CONSTRUCTION GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SWIFT CONSTRUCTION GROUP LIMITED

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.

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 its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's report.

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.

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 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.

SWIFT CONSTRUCTION GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SWIFT CONSTRUCTION GROUP LIMITED

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.

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 regarding the construction industry; employment legislation; health and safety legislation; legislation relevant to the commercial and domestic property rental environment; data protection legislation; anti-bribery and anti-corruption legislation.

ISAs (UK) limit the required procedures to identify non-compliance with these laws and regulations to the procedures, and no procedures over and above those already noted are required. These limited procedures did not identify any actual or suspected non-compliance which 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, provisions and carrying value of investments;
- 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

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

17 March 2022

Chartered Accountants
Statutory Auditor

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

SWIFT CONSTRUCTION GROUP LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2021

	Notes	2021 £	2020 £
Turnover	3	52,255,459	34,713,948
Cost of sales		(44,038,923)	(29,111,025)
Gross profit		8,216,536	5,602,923
Administrative expenses		(4,075,765)	(4,090,067)
Other operating income		241,300	809,194
Exceptional item	4	(964,124)	-
Operating profit	5	3,417,947	2,322,050
Interest receivable and similar income	9	-	480
Interest payable and similar expenses	10	(19,626)	(2,667)
Profit before taxation		3,398,321	2,319,863
Tax on profit	11	(338,181)	(4,541)
Profit for the financial year	26	3,060,140	2,315,322

Profit for the financial year is all attributable to the owners of the parent company.

SWIFT CONSTRUCTION GROUP LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MAY 2021

	2021 £	2020 £
Profit for the year	3,060,140	2,315,322
Other comprehensive income		
Currency translation differences	-	100,000
	<hr/>	<hr/>
Total comprehensive income for the year	3,060,140	2,415,322
	<hr/>	<hr/>

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 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	14	6,139,358		6,633,363	
Investment properties	15	103,950		7,043,095	
		<u>6,243,308</u>		<u>13,676,458</u>	
Current assets					
Debtors	18	15,121,615	6,272,210		
Cash at bank and in hand		1,859,307	5,758,206		
		<u>16,980,922</u>	<u>12,030,416</u>		
Creditors: amounts falling due within one year	19	<u>(7,570,332)</u>	<u>(4,257,107)</u>		
Net current assets		<u>9,410,590</u>		<u>7,773,309</u>	
Total assets less current liabilities		<u>15,653,898</u>		<u>21,449,767</u>	
Creditors: amounts falling due after more than one year	20	(127,491)			-
Provisions for liabilities					
Provisions	22	960,000	-		
Deferred tax liability	23	669,900	663,400		
		<u>(1,629,900)</u>	<u>(663,400)</u>		
Net assets		<u>13,896,507</u>		<u>20,786,367</u>	
Capital and reserves					
Called up share capital	25	330			-
Merger reserve	26	(9,307,330)			1,000
Profit and loss reserves	26	23,203,507			20,785,367
Total equity		<u>13,896,507</u>		<u>20,786,367</u>	

The financial statements were approved by the board of directors and authorised for issue on 17/3/22 and are signed on its behalf by:


M Walsh
Director

SWIFT CONSTRUCTION GROUP LIMITED

COMPANY BALANCE SHEET

AS AT 31 MAY 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investments	16	19,895,000			-
Capital and reserves					
Called up share capital	25	330			-
Merger relief reserves		19,894,670			-
Total equity		19,895,000			-

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £0 (2020 - £0 profit).

The financial statements were approved by the board of directors and authorised for issue on 17/3/22 and are signed on its behalf by:



M Walsh
Director

Company Registration No. 11897924

SWIFT CONSTRUCTION GROUP LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2021

	Notes	Share capital £	Merger reserves £	Profit and loss reserves £	Total £
Balance at 1 June 2019		-	1,000	19,012,045	19,013,045
Year ended 31 May 2020:					
Profit for the year		-	-	2,315,322	2,315,322
Other comprehensive income:					
Currency translation differences		-	-	100,000	100,000
Total comprehensive income for the year		-	-	2,415,322	2,415,322
Dividends	12	-	-	(642,000)	(642,000)
Balance at 31 May 2020		-	1,000	20,785,367	20,786,367
Year ended 31 May 2021:					
Profit and total comprehensive income for the year		-	-	3,060,140	3,060,140
Issue of share capital	25	1,000	-	-	-
Reduction of shares	25	(670)	-	-	-
Dividends	12	-	-	(642,000)	(642,000)
Merger reserves movement		-	(9,308,330)	-	(9,308,330)
Balance at 31 May 2021		330	(9,307,330)	23,203,507	13,896,507

SWIFT CONSTRUCTION GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2021

	Notes	Share capital £	Merger relief reserves £	Total £
For the period ended 31 March 2020:				
Balance at 31 March 2019		-	-	-
Period ended 31 March 2020:				
Profit and total comprehensive income for the period		-	-	-
Balance at 31 March 2020		-	-	-
Period ended 31 May 2021:				
Profit and total comprehensive income for the period		-	-	-
Issue of share capital	25	1,000	-	1,000
Reduction of shares	25	(670)	-	(670)
Merger relief on acquisition of the group		-	29,202,000	29,202,000
Demerger of subsidiaries		-	(9,307,330)	(9,307,330)
Balance at 31 May 2021		330	19,894,670	19,895,000

SWIFT CONSTRUCTION GROUP LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	33	901,335		4,798,287	
Interest paid		(19,626)		(2,667)	
Income taxes paid		(597,201)		(55,672)	
Net cash inflow from operating activities		<u>284,508</u>		<u>4,739,948</u>	
Investing activities					
Purchase of tangible fixed assets		(3,569,200)		(819,623)	
Proceeds on disposal of tangible fixed assets		27,793		25,843	
Interest received		-		480	
Net cash used in investing activities		<u>(3,541,407)</u>		<u>(793,300)</u>	
Financing activities					
Repayment of bank loans		-		(125,287)	
Dividends paid to equity shareholders		(642,000)		(642,000)	
Net cash used in financing activities		<u>(642,000)</u>		<u>(767,287)</u>	
Net (decrease)/increase in cash and cash equivalents		<u>(3,898,899)</u>		<u>3,179,361</u>	
Cash and cash equivalents at beginning of year		5,758,206		2,578,845	
Cash and cash equivalents at end of year		<u><u>1,859,307</u></u>		<u><u>5,758,206</u></u>	

SWIFT CONSTRUCTION GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2021

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 profit for the year was £0 (2020 - £0 profit).

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 exemptions 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;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

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 2021, 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. The comparative results are for a 12 month period to 31 May 2020. Intra-group sales and profits are eliminated fully on consolidation.

SWIFT CONSTRUCTION GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

1 Accounting policies

(Continued)

1.3 Going concern

The financial statements have been prepared on a going concern basis. During and since the year end, the trade and operations of the company and the group had been partially impacted by the restrictions in force across the UK due to the COVID-19 pandemic. The directors have taken all the necessary measures to ensure the company and the group has been able to continue to operate in a safe manner for both its employees and customers. In addition to this, as set out in note 31 to the financial statements, there was another group reconstruction.

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 twelve months from the date of approval of the financial statements. 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.

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:

Freehold land and buildings	Nil
Leasehold improvements	10% straight line
Scaffolding equipment	10% straight line
Fixtures, fittings and equipment	15% and 33% on written down value
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.

SWIFT CONSTRUCTION GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

1 Accounting policies

(Continued)

Scaffolding equipment

In prior years, the Directors valued scaffolding equipment at market value for its age and condition at each year end. Any difference arising was charged to the profit and loss account.

As at 31 May 2011, the Directors changed the accounting policy for scaffolding equipment. Scaffolding values are heavily influenced by fluctuations in the price of metal. This introduced volatility into the profit and loss account. Scaffolding equipment is held for the long term and the Directors concluded that the accounting policy should be changed to eliminate this volatility.

Scaffolding equipment is now held at cost less depreciation. The value of scaffolding equipment brought forward as at 31 May 2011 has been frozen, as it is not possible to ascertain original cost.

On transition to FRS 102 the company adopted the policy of continuing to hold scaffolding equipment at its frozen value/cost and accounts for scaffolding equipment going forward on a depreciated cost basis.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

For previously completed developments included within investment properties, these 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 were valued by the directors when the developments were completed.

1.7 Fixed asset investments

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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 and intangible 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.

SWIFT CONSTRUCTION GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

1 Accounting policies

(Continued)

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.

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 proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

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.

SWIFT CONSTRUCTION GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

1 Accounting policies

(Continued)

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.

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.

SWIFT CONSTRUCTION GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

1 Accounting policies

(Continued)

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.

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.

SWIFT CONSTRUCTION GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

1 Accounting policies

(Continued)

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.

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 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

SWIFT CONSTRUCTION GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

1 Accounting policies

(Continued)

1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.20 Management charges

Appropriate overheads are apportioned between group companies.

1.21 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 2021

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.

Useful economic life of scaffolding equipment

Scaffolding equipment is depreciated over its expected useful economic life. There is a certain level of judgement and estimation over the life of these assets and therefore the carrying value of the assets and the depreciation charge to be recognised within cost of sales.

Valuation of properties

The valuation of investment properties as at the prior year end and at the date of disposal were based on judgemental estimates made by the directors taking into account local market conditions.

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 the group reorganisation in the year, assets had been transferred out of the group. As a result of this, the directors concluded that a provision against the investment was necessary. See note 17 for details.

3 Turnover and other revenue

	2021 £	2020 £
Turnover analysed by class of business		
Brickwork construction contracts	41,430,063	27,806,658
Scaffolding contracts	10,825,396	6,907,290
	<u>52,255,459</u>	<u>34,713,948</u>
	2021 £	2020 £
Turnover analysed by geographical market		
United Kingdom	<u>52,255,459</u>	<u>34,713,948</u>

SWIFT CONSTRUCTION GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

3 Turnover and other revenue		(Continued)	
	2021	2020	
	£	£	
Other revenue			
Interest income	-	480	
Rental income arising from investment properties	184,510	262,349	
Sundry income	31,350	7,130	
Government grants	25,440	539,715	
	<u> </u>	<u> </u>	
4 Exceptional item	2021	2020	
	£	£	
Exceptional loss on disposal of fixed assets	964,124	-	
	<u> </u>	<u> </u>	
	964,124	-	
	<u> </u>	<u> </u>	
As part of the group restructure, most of the investment properties and the trading property were disposed of. This has generated an exceptional loss on disposal.			
5 Operating profit	2021	2020	
	£	£	
Operating profit for the year is stated after charging/(crediting):			
Depreciation of owned tangible fixed assets	876,936	736,372	
Depreciation of tangible fixed assets held under finance leases	4,184	-	
Exceptional loss on disposal	964,124		
(Profit)/loss on disposal of tangible fixed assets	(10,850)	1,885	
Operating lease charges	100,000	97,500	
	<u> </u>	<u> </u>	
6 Auditor's remuneration	2021	2020	
	£	£	
Fees payable to the company's auditor and associates:			
For audit services			
Audit of the financial statements of the group and company	27,500	26,000	
Audit of the financial statements of the company's subsidiaries	17,500	17,500	
	<u> </u>	<u> </u>	
	45,000	43,500	
	<u> </u>	<u> </u>	
For other services			
Taxation compliance services	5,000	5,000	
All other non-audit services	16,250	17,750	
	<u> </u>	<u> </u>	
	21,250	22,750	
	<u> </u>	<u> </u>	

SWIFT CONSTRUCTION GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

7 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Office administration	42	41	-	-
Site work force	125	141	-	-
Total	167	182	-	-

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	7,735,488	7,336,052	-	-
Social security costs	809,481	740,138	-	-
Pension costs	86,327	76,164	-	-
	8,631,296	8,152,354	-	-

8 Director's remuneration

	2021 £	2020 £
Remuneration for qualifying services	18,618	18,842
Company pension contributions to defined contribution schemes	116	120
	18,734	18,962

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2020 - 2)

9 Interest receivable and similar income

	2021 £	2020 £
Interest income	-	480
Other interest income	-	-

SWIFT CONSTRUCTION GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

10 Interest payable and similar expenses

	2021 £	2020 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	24	474
Other interest on financial liabilities	16,350	2,193
	<u>16,374</u>	<u>2,667</u>
Other finance costs:		
Interest on finance leases and hire purchase contracts	1,503	-
Other interest	1,749	-
	<u>19,626</u>	<u>2,667</u>
Total finance costs	<u>19,626</u>	<u>2,667</u>

11 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	333,202	(39,459)
Adjustments in respect of prior periods	(1,521)	-
	<u>331,681</u>	<u>(39,459)</u>
Deferred tax		
Origination and reversal of timing differences	6,500	44,000
	<u>6,500</u>	<u>44,000</u>
Total tax charge	<u>338,181</u>	<u>4,541</u>

SWIFT CONSTRUCTION GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

11 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:

	2021 £	2020 £
Profit before taxation	3,398,321	2,319,863
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	645,681	440,774
Tax effect of expenses that are not deductible in determining taxable profit	10,487	12,383
Gains not taxable	(106,816)	-
Change in unrecognised deferred tax assets	(20,494)	17,273
Effect of change in corporation tax rate	160,742	38,557
Permanent capital allowances in excess of depreciation	(35,468)	-
Depreciation on assets not qualifying for tax allowances	2,408	-
Research and development tax credit	(195,634)	(506,032)
Effect of revaluations of investments	(169,709)	-
Other permanent differences	-	1,586
Under/(over) provided in prior years	(1,521)	-
Losses not carried forward	48,505	-
Taxation charge	338,181	4,541

12 Dividends

	2021 £	2020 £
Recognised as distributions to equity holders:		
Interim paid	642,000	642,000

13 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 June 2020	81,477
Disposals	(81,477)
At 31 May 2021	-
Amortisation and impairment	
At 1 June 2020	81,477
Disposals	(81,477)
At 31 May 2021	-

SWIFT CONSTRUCTION GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

13 Intangible fixed assets

(Continued)

Carrying amount

At 31 May 2021

-

At 31 May 2020

-

The company had no intangible fixed assets at 31 May 2021 or 31 March 2020.

14 Tangible fixed assets

Group	Freehold land and buildings	Leasehold improvements	Scaffolding equipment	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 June 2020	2,418,000	1,078,954	7,160,726	165,767	1,114,139	11,937,586
Additions	-	75,933	3,205,184	59,293	396,627	3,737,037
Disposals	(2,418,000)	(914,979)	(5,151)	(2,647)	(225,682)	(3,566,459)
At 31 May 2021	-	239,908	10,360,759	222,413	1,285,084	12,108,164
Depreciation and impairment						
At 1 June 2020	-	10,709	4,356,539	86,094	850,881	5,304,223
Depreciation charged in the year	-	20,991	693,742	34,916	131,471	881,120
Eliminated in respect of disposals	-	-	-	(2,642)	(213,895)	(216,537)
At 31 May 2021	-	31,700	5,050,281	118,368	768,457	5,968,806
Carrying amount						
At 31 May 2021	-	208,208	5,310,478	104,045	516,627	6,139,358
At 31 May 2020	2,418,000	1,068,245	2,804,187	79,673	263,258	6,633,363

The company had no tangible fixed assets at 31 May 2021 or 31 March 2020.

SWIFT CONSTRUCTION GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

14 Tangible fixed assets

(Continued)

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

	Group 2021 £	2020 £	Company 2021 £	2020 £
Motor vehicles	196,653	-	-	-
Depreciation charge for the year in respect of leased assets	4,184	-	-	-

15 Investment property

	Group 2021 £	Company 2021 £
Fair value		
At 1 June 2020 and 31 May 2021	7,043,095	-
Disposals	(6,939,145)	-
At 31 May 2021	103,950	-

Investment properties at the year end represent the group's freehold interest in land on which developments have been completed and which were valued at £103,950 by the directors.

The historical cost of the group's properties amounts to £103,950 (2020: £3,546,053)

16 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	17	-	-	19,895,000	-

SWIFT CONSTRUCTION GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

16	Fixed asset investments	(Continued)
Movements in fixed asset investments		
	Company	Shares in subsidiaries £
Cost or valuation		
	At 1 April 2020	-
	Additions	38,511,000
	Disposals	(9,308,000)
	At 31 May 2021	29,203,000
Impairment		
	At 1 April 2020	-
	Impairment losses	9,308,000
	At 31 May 2021	9,308,000
Carrying amount		
	At 31 May 2021	19,895,000
	At 31 March 2020	-

The investment in Swift Brickwork Contractors Limited was impaired following the demerger from the group of its subsidiaries Swift Investment Properties Limited, Swift Trading Properties Limited and Dalmasco LLC.

17 Subsidiaries

Details of the company's subsidiaries at 31 May 2021 are as follows:

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

SWIFT CONSTRUCTION GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

17 Subsidiaries

(Continued)

Swift Brickwork Contractors Limited was acquired on 30th November 2020 from the shareholders who were also directors of the company. Consideration for this was via a share for share exchange where 100% of the issued shares in Swift Construction Group Limited was exchanged for 100% of the shares in Swift Brickwork Contractors Limited.

As 100% of the equity in Swift Brickwork Contractors Limited was acquired, under section 612 of the Companies Act 2006, the company was able to take advantage of merger relief.

Through the acquisition of Swift Brickwork Contractors Limited the company became indirect owners of Swift Investment Properties Limited, Swift Trading Properties Limited and Dalmsaco LLC. On 30th November 2020 the investments in these entities were transferred via a dividend in specie to the company. Subsequently, the entities were demerged and as part of the same transaction the B and C ordinary share capital were cancelled.

18 Debtors

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	12,925,298	5,577,610	-	-
Corporation tax recoverable	269,227	19,692	-	-
Other debtors	1,561,538	472,180	-	-
Prepayments and accrued income	365,552	202,728	-	-
	<u>15,121,615</u>	<u>6,272,210</u>	<u>-</u>	<u>-</u>

Included within trade debtors are balances of £1,720,534 (2020: £1,373,093) due in more than one year.

19 Creditors: amounts falling due within one year

		Group 2021	2020	Company 2021	2020
	Notes	£	£	£	£
Obligations under finance leases	21	40,346	-	-	-
Trade creditors		5,586,101	2,254,825	-	-
Corporation tax payable		59,101	75,086	-	-
Other taxation and social security		252,889	1,047,864	-	-
Other creditors		1,148,766	580,759	-	-
Accruals and deferred income		483,129	298,573	-	-
		<u>7,570,332</u>	<u>4,257,107</u>	<u>-</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.

SWIFT CONSTRUCTION GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

20 Creditors: amounts falling due after more than one year

		Group 2021 £	2020 £	Company 2021 £	2020 £
	Notes				
Obligations under finance leases	21	127,491	-	-	-

21 Finance lease obligations

	Group 2021 £	2020 £	Company 2021 £	2020 £
Future minimum lease payments due under finance leases:				
Within one year	42,543	-	-	-
In two to five years	135,156	-	-	-
	177,699	-	-	-
Less: future finance charges	(9,862)	-	-	-
	167,837	-	-	-

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.

22 Provisions for liabilities

	Group 2021 £	2020 £	Company 2021 £	2020 £
Provision for defects	960,000	-	-	-

Movements on provisions:

Group	Provision for defects £
Additional provisions in the year	960,000

Provisions made in the current year relate to remedial work to be carried out on contracts completed in prior years. These are expected to be paid within the next twelve months. There is also a contingent liability in respect of remedial work to be carried out as stated in note 27 to the financial statements.

SWIFT CONSTRUCTION GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

23 Deferred taxation

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

	Liabilities 2021 £	Liabilities 2020 £
Group		
Accelerated capital allowances	685,900	212,000
Tax losses	(16,000)	(18,600)
Revaluations	-	470,000
	<u>669,900</u>	<u>663,400</u>

The company has no deferred tax assets or liabilities.

	Group 2021 £	Company 2021 £
Movements in the year:		
Liability at 1 June 2020	663,400	-
Charge to profit or loss	6,500	-
	<u>669,900</u>	<u>-</u>
Liability at 31 May 2021		

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

24 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>86,327</u>	<u>76,164</u>

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 pensions contributions was £26,269 (2020: £28,304).

25 Share capital

Group and company	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital				
Issued and fully paid				
A Ordinary shares of 33p each	<u>1,000</u>	<u>1</u>	<u>330</u>	<u>-</u>

SWIFT CONSTRUCTION GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

25 Share capital

(Continued)

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

As explained in note 17 to the financial statements, as part of the group restructure on 30th November 2020, the company issued 999 £0.33 A Ordinary shares, 1,000 £0.33 B Ordinary shares and 1,000 £0.34 C Ordinary Shares. The B class and C class ordinary shares were subsequently cancelled as part of a demerger of two of the company's subsidiaries.

26 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 (2020: £17,758,325).

Merger Reserve

In accordance with the accounting policy, the group has adopted the merger accounting method. On consolidation, this has given rise to a merger reserve.

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 has arisen on the acquisition of its subsidiary, details of which are set out in note 17 to the financial statements.

27 Financial commitments, guarantees and contingent liabilities

In addition to the provision made in note 22, 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 2021

28 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 2021 £	2020 £	Company 2021 £	2020 £
Within one year	200,000	103,800	-	-
Between two and five years	558,333	308,333	-	-
	<u>758,333</u>	<u>412,133</u>	<u>-</u>	<u>-</u>

Lessor

The group owned investment properties for rental purposes which were disposed of during the year.

At the reporting end date the group had contracted with tenants for the following minimum lease payments:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	-	177,083	-	-
Between two and five years	-	440,000	-	-
In over five years	-	284,167	-	-
	<u>-</u>	<u>901,250</u>	<u>-</u>	<u>-</u>

29 Related party transactions

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 2021, the group was owed £nil (2020: £870,032) by a company under common control.

During the year rent totaling £100,000 (2020: £97,500) was paid by the group to the pension scheme of which the directors are members.

During the year the group paid £73,638 (2020: £105,031) to family members of the directors.

During the year there was a reconstruction of the group as detailed in note 17.

SWIFT CONSTRUCTION GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

30 Directors' transactions

Included within debtors are loans due from the directors of £101,232 (2020: £114,734) owed by M Walsh and £50,248 (2020: £77,645) owed by N Moye. During the year, M Walsh made net repayments to the company of £13,502 (2020: £32,516). During the year N Moye made net repayments to the company of £27,397 (2020: £26,934).

31 Events after the reporting date

After the year end there was a further reconstruction of the group resulting in the demerger of Swift Scaffolding Limited from the group. There is a new ultimate parent company Swift UK Holdings Limited and the director M Walsh is now the ultimate controlling party.

32 Controlling party

For the current and prior year, there was no ultimate controlling party.

As set out in note 31, after the year end, Swift Holdings UK Limited became the ultimate parent company. The Director M Walsh became the ultimate controlling party.

33 Cash generated from group operations

	2021 £	2020 £
Profit for the year after tax	3,060,140	2,315,322
Adjustments for:		
Taxation charged	338,181	4,541
Finance costs	19,626	2,667
Investment income	-	(480)
Loss on disposal of tangible fixed assets	953,274	1,885
Depreciation and impairment of tangible fixed assets	881,120	736,372
Increase in provisions	960,000	-
Movements in working capital:		
(Increase)/decrease in debtors	(8,599,870)	1,313,254
Increase in creditors	3,288,864	424,726
Cash generated from operations	901,335	4,798,287

34 Analysis of changes in net funds - group

	1 June 2020 £	Cash flows £	New finance leases £	31 May 2021 £
Cash at bank and in hand	5,758,206	(3,898,899)	-	1,859,307
Obligations under finance leases	-	-	(167,837)	(167,837)
	<u>5,758,206</u>	<u>(3,898,899)</u>	<u>(167,837)</u>	<u>1,691,470</u>