

Nu-Swift (Engineering) Limited

Annual Report and financial statements

for the year to 31 December 2020

Registration number: 02916187



Nu-Swift (Engineering) Limited

Annual Report and financial statements for the year ended 31 December 2020

Contents

	Page
Directors and advisers	1
Directors' report for the year ended 31 December 2020.....	2
Profit and loss account and statement of comprehensive income for the year ended 31 December 2020	4
Balance sheet as at 31 December 2020	5
Statement of changes in equity for the year ended 31 December 2020.....	6
Accounting policies	7
Notes to the financial statements	11

Nu-Swift (Engineering) Limited

Directors and advisers

Executive directors

R J Pollard

T Langdale

Company secretary

R Pollard

Registered office

Premier House

2 Jubilee Way

Elland

West Yorkshire

HX5 9DY

Nu-Swift (Engineering) Limited

Directors' report for the year ended 31 December 2020

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2020.

Principal activities

The principal activities of the company during the year were the manufacture and distribution of fire protection and safety equipment.

Review of business and results

The profit and loss account for the year is set out on page 4.

The company continued to trade profitably and the company's commitment to quality products and service will continue in 2021. Both the level of business during the year and the year end financial position were considered to be satisfactory.

Going concern

Covid19 impact assessment

By the middle of March 2020, the government responded to the pandemic by applying severe restrictions on movement and introducing social distancing measures which forced many of our customers to temporarily close. We prepared the business for varying levels of sales decline by temporarily reducing staff levels. We took advantage of the government job retention scheme to finance this approach in order that staff were available to return to work as restrictions were lifted and non-essential businesses reopened. A claim of £127,681 was made under the Coronavirus Job Retention Scheme.

The Company has been designated as essential contractor status by a number of our clients including care, health, housing and food production services. It was essential that our field-based engineers continued to visit our customers' sites for essential responsive and planned work. During this period of uncertainty, we stayed in constant contact with our staff to ensure clear and concise communication. Our priority was to do all we could to protect our employees and business partners at all times.

During the third and fourth quarters of 2020 the Company traded strongly despite the interruptions caused by varying levels of temporary restrictions imposed by the government. This reflects the essential nature of the services we provide.

The Directors approved a budget for 2021 based on the experience gained during the course of 2020 and the reaction of the business to the impact of the pandemic. Temporary restrictions are still in place and are subject to change at short notice. However, at the date of this report we have a full engineer force in the field and have experienced a strong start to 2021. The experience of 2020 shows the resilience of the business. The Directors have also modelled sensitivities to the budget, which demonstrates that the Company is forecast to have significant cash headroom after applying these sensitivities. Accordingly, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and are satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements.

Dividends

No dividends were paid during the year (2019: £nil).

Directors

The directors who served during the year and up to the date of signing the financial statements were as follows:

R J Pollard
T Langdale

Nu-Swift (Engineering) Limited

Directors' report for the year ended 31 December 2020 (continued)

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.


Small companies

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Exemption from audit under section 479A of the Companies Act 2006

The members have not required the company to obtain an audit of its accounts for the year in accordance with Section 476.

Signed on behalf of the Board


R J Pollard
Director
21 June 2021

Nu-Swift (Engineering) Limited

Profit and loss account for the year ended 31 December 2020

	Note	2020 £	2019 £
Turnover	1	3,513,451	3,585,202
Cost of sales		(3,281,892)	(3,351,790)
Gross profit		231,559	233,412
Distribution costs		(152,400)	(33,266)
Administrative expenses		(206,262)	(184,004)
Other income – Government grants		127,681	-
Operating profit	2	578	16,142
Interest receivable and similar income	3	8,800	25,300
Profit before taxation		9,378	41,442
Tax on profit	6	(5,824)	(11,739)
Profit for the financial year		3,554	29,703

All amounts relate to continuing operations.

Statement of comprehensive income for the year ended 31 December 2020

	2020 £	2019 £
Profit for the financial year	3,554	29,703
Other comprehensive income:		
Remeasurement of the defined benefit pension asset	(1,001,880)	91,080
Movement on deferred tax on defined benefit pension asset	350,658	(31,878)
Other comprehensive income for the year, net of income tax	(651,223)	59,202
Total comprehensive income for the year	(647,669)	88,905

The accounting policies and notes pages 7 to 17 form an integral part of these financial statements.

Nu-Swift (Engineering) Limited

Balance sheet as at 31 December 2020

	Note	2020 £	2019 £
Non current assets			
Tangible assets	7	143,751	178,956
Pension surplus	13	98,780	1,091,860
		242,531	1,270,816
Current assets			
Stocks	8	1,986,816	1,800,824
Debtors	9	854,718	399,256
Cash at bank and in hand		259	-
		2,841,793	2,200,080
Creditors: amounts falling due within one year	10	(4,356,182)	(3,745,069)
Net current liabilities		(1,514,389)	(1,544,989)
Total assets less current liabilities		(1,271,858)	(274,173)
Provisions for liabilities	11	(55,114)	(405,130)
Net liabilities		(1,326,972)	(679,303)
Capital and reserves			
Called up share capital	12	2	2
Profit and loss account		(1,326,974)	(679,305)
Total shareholders' deficit		(1,326,972)	(679,303)

For the financial year in question the company was entitled to exemption under section 479a of the Companies Act 2006. No members have required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of the financial statements.

The financial statements on pages 7 to 17 were approved by the board of directors on 21 June 2021 and were signed on its behalf by:


R J Pollard
Director
 21 June 2021

Registered number: 02916187

The accounting policies and notes pages 7 to 17 form an integral part of these financial statements.

Nu-Swift (Engineering) Limited

Statement of Changes in Equity for the year ended 31 December 2020

	Called up Share Capital £	Profit and loss account £	Total Shareholders' Deficit £
Balance at 1 January 2019	2	(768,210)	(768,208)
Profit for the financial year	-	29,703	29,703
Other comprehensive income	-	59,202	59,202
Total comprehensive income for the year	-	88,905	88,905
Balance at 31 December 2019	2	(679,305)	(679,303)
Total comprehensive income for the year			
Profit for the financial year	-	3,554	3,554
Other comprehensive income/expense	-	(651,223)	(651,221)
Total comprehensive income for the year	-	(647,669)	(647,669)
Balance at 31 December 2020	2	(1,326,974)	1,326,972

The accounting policies and notes pages 7 to 17 form an integral part of these financial statements.

Nu-Swift (Engineering) Limited

Accounting policies

Basis of accounting

The Company is exempt by virtue of s400 subject to the small companies' regime of the Companies Act 2006 from the requirement to prepare consolidated financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Nu-Swift (Engineering) Limited is incorporated in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. In the transition to FRS 102 from UK GAAP, the Company has made measurement and recognition adjustments. An explanation of how the transition to FRS 102 has affected the financial position and financial performance of the Company is provided in the notes below.

The Company's parent undertaking, London Security plc includes the Company in its consolidated financial statements. The consolidated financial statements of London Security plc are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from Premier House, 2 Jubilee Way, Elland, West Yorkshire HX5 9DY. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes;
- Requirements under Section 11 – basic financial instruments; and
- Key Management Personnel compensation.

The financial statements are prepared on the historical cost basis.

Going Concern

The Directors' Report contains a Covid-19 impact assessment detailing the effect it had on our business and the outlook for 2021. The Directors have prepared these financial statements on the fundamental assumption that the Company is a going concern and will continue to trade for at least 12 months following the date of approval of the financial statements.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Turnover

Turnover represents amounts invoiced, net of returns, discounts and value added tax.

The company derives its Turnover from three major sources - outright sale of fire-fighting equipment, servicing of this equipment, and providing fire-fighting equipment under rental contracts. The Turnover recognition policies for each of these sources is as follows:

- Turnover from the outright sale of equipment is recognised upon delivery to a customer;
- Turnover from the servicing of equipment is recognised when the service has been performed; and
- Turnover from the equipment leased to customers under an operating lease is recognised over the term of the lease on a pro-rata basis.

Nu-Swift (Engineering) Limited

Accounting policies (continued)

Tangible fixed assets and depreciation

The cost of tangible fixed assets is their purchase cost or internal production cost, together with any incremental costs of acquisition.

Tangible fixed assets and depreciation (continued)

Depreciation is calculated on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less their estimated residual values, over the estimated useful lives of the assets concerned. The principal annual rates are as follows:

Straight line method:	
Motor vehicles	20%
Fixtures and fittings	25%
Reducing balance method:	
Plant and equipment	15%

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is calculated on a first in first out basis. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Basic financial instruments

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at cost, less any impairment losses in the case of trade debtors.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Nu-Swift (Engineering) Limited

Accounting policies (continued)

Pension surplus

The group operates two multi-employer pension schemes in which the company participates. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Company has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The surplus recognised in the Balance Sheet in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs.

The defined benefit obligation is calculated triennially by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

The interest cost and the expected return on the assets are shown net within interest receivable within the Profit and Loss Account. Actuarial gains and losses are recognised immediately in the Statement of Other Comprehensive Income. The defined benefit pension scheme surplus is presented separately on the Balance Sheet within fixed assets before tax relief. The attributable deferred tax liability is included within deferred tax and is subject to the recognition criteria as set out in the accounting policy on taxation.

For defined contribution plans, the Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due.

Critical accounting judgements and key sources of estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Critical Estimates

Pension scheme assumptions and mortality tables

The carrying value of the defined benefit pension scheme is valued using actuarial valuations. These valuations are based on assumptions including the selection of the most appropriate mortality table for the profile of the members in the scheme and the financial assumptions concerning discount rates and inflation. All these are estimates of future events and are therefore uncertain. The choices are based on advice received from the scheme's actuaries which are checked from time to time with benchmark surveys. The effect of varying these assumptions is discussed in the relevant pension note.

Critical judgements

In the course of preparing the financial statements, no judgements have been made in the process of applying the company's accounting policies other than those involving estimation that had a significant effect on the amounts recognised in the financial statements.

Nu-Swift (Engineering) Limited

Notes to the financial statements for the year ended 31 December 2020

1 Turnover

The turnover consists entirely of sales made in the United Kingdom (2019: same)

2 Operating profit

	2020 £	2019 £
Operating profit is stated after charging/(crediting):		
Depreciation charge for the year – owned tangible fixed assets	37,266	29,416
Profit on sale of fixed assets	(19,240)	(888)
Auditor's remuneration for audit services	8,000	8,000
Government grants – Coronavirus Job Retention Scheme	(127,681)	-

3 Interest receivable and similar income

	2020 £	2019 £
Net interest income on defined benefit plan assets	8,800	25,300
Total interest receivable and similar income	8,800	25,300

4 Directors' emoluments

	2020 £	2019 £
Aggregate emoluments	73,083	71,968
Pension contributions to money purchase schemes	2,457	1,756
	75,540	73,724

One director is remunerated through the company. The other director is remunerated by another group company.

In preparing the current year emoluments, management identified some missed items from the prior year so have corrected these in the disclosure above.

Nu-Swift (Engineering) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

5 Employee information

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

	2020 Number	2019 Number
By activity:		
Production	25	26
Administration	3	3
	28	29

	2020 £	2019 £
Wages and salaries	524,152	666,113
Social security costs	41,342	51,902
Other pension costs (note 13)	26,968	30,990
	592,462	749,005

6 Tax on profit

(a) Analysis of tax charge in the year

	2020 £	2019 £
Current tax charge	5,182	1,341
Deferred tax (credit)/charge in respect of capital allowances	(2,438)	1,544
Deferred tax (credit)/charge in respect of pension surplus	(347,578)	40,732
Movement on deferred tax in respect of pension surplus recognised in statement of comprehensive income	350,658	(31,878)
Total tax on profit	5,824	11,739

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences will reverse, based on tax rates and laws substantively enacted at the Balance Sheet date, being a rate of 19% at 31 December 2020. Deferred tax has been provided at 35% for items related to the pension surplus.

Nu-Swift (Engineering) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

6 Tax on profit (continued)

(b) Factors affecting tax charge for the year

The total tax charge for the year is lower (2019: higher) than the charge calculated at the standard rate of corporation tax in the United Kingdom of 19.00% (2019: 19.00%). The differences are explained below:

	2020 £	2019 £
Profit before taxation	9,378	41,442
Profit multiplied by standard rate of corporation tax in the United Kingdom of 19.00% (2019: 19.00%)	1,782	7,874
Effects of:		
Income not taxable	(1,672)	(183)
Capital allowances more than depreciation	4,306	-
Higher deferred tax rate on pension surplus	1,408	4,048
Total tax charge	5,824	11,739

Nu-Swift (Engineering) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

7 Tangible assets

	Plant and equipment £	Motor Vehicles £	Fixtures, and fittings £	Total £
Cost or valuation				
At 1 January 2020	439,755	4,833	12,533	457,121
Additions	10,250	11,051	21,301	-
Disposals	(58,631)	-	-	(58,631)
At 31 December 2020	391,375	15,884	12,533	419,791
Accumulated depreciation				
At 1 January 2020	263,088	4,667	10,410	278,164
Charge for the year	29,923	6,426	917	37,266
Disposals	(39,390)	-	-	(39,390)
At 31 December 2020	253,621	11,093	11,327	276,040
Net book value				
At 31 December 2020	137,754	4,791	1,206	143,751
At 31 December 2019	176,667	167	2,123	178,956

8 Stocks

	2020 £	2019 £
Raw materials and consumables	1,706,952	1,308,179
Work in progress	2,588	20,645
Finished goods and goods for resale	277,276	472,000
	1,986,816	1,800,824

Nu-Swift (Engineering) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

9 Debtors

	2020 £	2019 £
Trade debtors	112,483	41,640
Amounts owed by group undertakings	228,049	272,949
Other debtors	57,139	10,711
Prepayments and accrued income	457,047	73,956
	854,718	399,256

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment and are repayable on demand.

10 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	142,289	39,716
Bank overdraft	729,480	350,388
Amounts owed to group undertakings	3,418,658	3,312,920
Corporation tax payable	5,182	1,341
Other taxation and social security	15,185	14,794
Accruals and deferred income	45,388	25,911
	4,356,182	3,745,069

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

11 Provisions for liabilities

	Deferred tax on Capital Allowances £	Deferred tax on Pension Scheme Surplus £	Deferred tax liability £
At 1 January 2020	22,384	382,746	405,130
Credit to profit and loss account	(2,438)	(347,578)	(350,016)
At 31 December 2020	19,946	35,168	55,114

The deferred tax liability recognised in connection with the pension scheme surplus and discussed in more detail below in note 13.

It is not anticipated that any of the deferred tax liability in respect of the pension surplus will reverse in the 12 months following the balance sheet date. While it is anticipated that an element of the deferred tax liability in respect of capital allowances will reverse during the 12 months following the balance sheet date, any such reversal is not expected to be material.

Nu-Swift (Engineering) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

12 Called up share capital

	2020 £	2019 £
Authorised, allotted, called up and fully paid		
2 (2019: 2) ordinary shares of £1 each	2	2

13 Pension obligations

Nu-Swift International Pension Scheme

Nu-Swift International Limited operates a funded defined benefit pension scheme in which the company participates. This was closed to new entrants with effect from 1 December 2002 and to further accrual on 30 June 2007, providing benefits based on final pensionable earnings. The assets of the scheme are held separately from those of the Group. The total pension cost of the Group is determined by an independent qualified actuary on the basis of triennial valuations using the projected unit method. The most recent actuarial valuation as at 31 December 2017 showed that the market value of the scheme's assets was £17,909,000 and that the actuarial value of those assets represented 118% of the benefits that had accrued to members. In May 2020 the trustees entered into a bulk purchase annuity contract with Aviva in respect of all benefits in the Scheme. The results of the 2017 valuation have been projected to 31 December 2020 and then recalculated using the assumptions set out below which result in a net surplus position of £445,000 (2019: £4,959,000). The surplus has decreased primarily due to the purchase of the buy-in annuity policy, because the premium paid for this policy is larger than the defined benefit obligation relating to the underlying benefits. The scheme's assets are stated at their market value at 31 December 2020.

At 31 December 2020 the scheme had a net defined benefit surplus calculated in accordance with IAS 19 using the assumptions set out of £445,00 (2019: £4,959,000). The surplus is recognised as it is confirmed that the Group does have an unconditional right to a refund of surplus contributions once all pensions have been applied and the scheme winds up. On this basis no liability for minimum funding requirements has been recognised.

The Group paid no contributions to the scheme (2019: £Nil) over the year. No further contributions were payable with effect from 1 May 2015. These payments had been in respect of the recovery plan put in place following the completion of the 2011 valuation.

The financial assumptions used to calculate the liabilities of the scheme under IAS 19 are:

	2020	2019	2018
Discount rate	1.10%	1.80%	2.60%
Inflation rate	2.60-3.20%	2.30-3.20%	2.50-3.50%
Salary increase rate	n/a	n/a	n/a
Increases for pensions in payment	2.60%	3.10%	3.40%
Revaluation of deferred pensions	2.60%	2.30%	2.50%

Assumptions regarding future mortality experience are set based on advice, published statistics and experience in each territory. The average life expectancy in years of a pensioner retiring at age 65 at the Statement of Financial Position date is as follows:

	2020	2019
Male	21.4	21.3
Female	23.4	23.2

The average life expectancy in years of a pensioner retiring at age 65, 20 years after the Statement of Financial Position date, is as follows:

	2020	2019
Male	22.4	22.3
Female	24.6	24.4

Nu-Swift (Engineering) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

13 Pension obligations (continued)

The assets in the scheme were:

	Value at 31 December 2020 £'000	Percentage of scheme assets 2020	Value at 31 December 2019 £'000	Percentage of scheme assets 2019
Buy-in annuity policy	14,618	96.4%	—	0.0%
Bonds	118	0.8%	15,957	87.0%
Cash	429	2.8%	2,385	13.0%
	15,165		18,342	
Present value of the scheme's liabilities	(14,720)		(13,383)	
Surplus in the Nu-Swift Scheme recognised in the Statement of Financial Position	445		4,959	
Related deferred tax liability	(157)		(1,737)	

Analysis of the amount recognised in the Income Statement

	2020 £'000	2019 £'000
Interest credit	(40)	(115)
Total operating credit	(40)	(115)

Movement in the defined benefit obligation over the year

	2020 £'000	2019 £'000
Start of the year	(13,383)	(12,773)
Interest cost	(234)	(325)
Actuarial loss arising from changes in financial assumptions	(1,461)	(1,230)
Actuarial (loss)/gain arising from changes in demographic assumptions	(400)	367
Benefits paid	758	578
End of the year	(14,720)	(13,383)

Movement in the fair value of the plan assets over the year

	2020 £'000	2019 £'000
Start of the year	18,342	17,203
Interest income	274	440
Return on assets (excluding amount included in net interest expense)	(2,693)	1,277
Benefits paid	(758)	(578)
End of the year	15,165	18,342

Analysis of the amount recognised in the Consolidated Statement of Comprehensive Income

	2020 £'000	2019 £'000
Actuarial loss on defined benefit obligation	(1,861)	(863)
Actual return less expected return on pension scheme assets	(2,693)	1,277
Gain recognised in the Consolidated Statement of Comprehensive Income	(4,554)	414

Sensitivity of the liability value to changes in the principal assumptions

Prior to the effect of deferred tax, the impact of a 0.1% decrease in the inflation rate would be to increase the pension surplus by £59,000 (2019: £47,000); an increase of 0.1% in the inflation rate would decrease the surplus by £60,000 (2019: £48,000). The impact of a 0.1% increase in the discount rate would be to increase the pension surplus by £203,000 (2019: £171,000); a decrease of 0.1% in the discount rate would decrease the surplus by £208,000 (2019: £174,000).

Nu-Swift (Engineering) Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

13 Pension obligations (continued)

Analysis of the amount recognised in the Consolidated Statement of Comprehensive Income

	2020 £'000	2019 £'000
Actual return less expected return on pension scheme assets	[•]	(412)
Actuarial loss recognised in the Consolidated Statement of Comprehensive Income	[•]	(412)

Sensitivity of the liability value to changes in the principal assumptions

Prior to the effect of deferred tax, the impact of a 0.1% increase in the inflation rate would be to increase the pension deficit by £[•] (2019: £24,000); a decrease of 0.1% in the inflation rate would decrease the deficit by £[•] (2019: £23,000). The impact of a 0.1% increase in the discount rate would be to decrease the pension deficit by £[•] (2019: £70,000); a decrease of 0.1% in the discount rate would increase the deficit by £[•] (2019: £79,000).

UK stakeholder scheme

The contributions paid by the Group to the defined contribution stakeholder pension schemes in operation within the UK amounted to £[•] in the year ended 31 December 2020 (2019: £532,000).

Total pension costs charged to the Income Statement for all schemes in which the Group participates amounted to £[•] for the year ended 31 December 2020 (2019: £2,166,000) and were wholly recognised in administrative expenses.

14 Commitments and contingent liabilities

At the year end the company had guaranteed group borrowings under a cross guarantee of £5.3 million (2019: £7.2 million).

15 Parent undertakings

The immediate parent undertaking is Nu-Swift International Limited. The directors regard EOI Fire S.à.r.l., a company registered in Luxembourg, as the ultimate parent undertaking.

The largest and smallest group in which the results of the company are consolidated is the London Security Plc group, a company quoted on the Alternative Investment Market. Copies of the London Security Plc consolidated financial statements may be obtained from the Company Secretary at Premier House, Jubilee Way, Elland, West Yorkshire, HX5 9DY.

The directors regard Eden and Arianne Trust as the ultimate controlling party through its controlling interest in EOI Fire S.à.r.l.

16 Related party transactions

The company has taken advantage of the exemption available under FRS 102 1.12(d) 'Related party disclosures' from disclosing transactions with related parties within the London Security plc group.