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**Swallow Holdings Limited**

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**Annual Report and Consolidated Financial Statements**

**For the year ended 30 September 2022**

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## Swallow Holdings Limited

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### Company Information

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<b>Directors</b>	R K B Purvis A D Swallow C D Swallow H H G Swallow
<b>Company secretary</b>	C D Swallow
<b>Registered number</b>	02979029
<b>Registered office</b>	Mellors Road Trafford Park Manchester M17 1PB
<b>Independent auditors</b>	Hurst Accountants Limited Chartered Accountants & Statutory Auditors Lancashire Gate 21 Tiviot Dale Stockport Cheshire SK1 1TD
<b>Solicitors</b>	Ward Hadaway The Observatory Chapel Walks Manchester M2 1HL

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Swallow Holdings Limited

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Contents

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	Page
<b>Group strategic report</b>	1 - 3
<b>Directors' report</b>	4 - 6
<b>Independent auditors' report</b>	7 - 10
<b>Consolidated statement of comprehensive income</b>	11
<b>Consolidated statement of financial position</b>	12
<b>Company statement of financial position</b>	13
<b>Consolidated statement of changes in equity</b>	14
<b>Company statement of changes in equity</b>	15
<b>Consolidated Statement of cash flows</b>	16
<b>Consolidated analysis of net debt</b>	17
<b>Notes to the financial statements</b>	18 - 36

**Group Strategic Report**  
**For the year ended 30 September 2022**

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**Introduction**

The directors present the group strategic report for the year ended 30 September 2022.

**Business review**

As shown in the consolidated statement of comprehensive income on page 11 the group's turnover has increased by £4.2m (14%) from the prior year. The group returned a net profit before tax of £533k against £765k in the prior year, a decrease of 30%. The impact of Covid-19 restrictions gradually lifted during the course of this year. However its effects on our city centre and middle ground business have persisted and may be permanent in some cases with changes to working patterns. Education facing sales mostly recovered and as customer's food shopping habits returned to being more 'in-person' we saw a fall off in our residential home delivery sales back to a pre-pandemic norm in the latter part of the financial year. Our wholesale business has been steady throughout. During the financial year we have extended our production activities to encompass orange juice in glass bottles and since January 2023 have extended our manufactured milk range to include fresh organic milk.

The statement of financial position on page 12 shows that the group's financial position at the year end in terms of net assets has slightly diminished from the prior year. The group has a strong base of owned and long leasehold commercial property from which it operates, positive net current assets and good liquidity.

The group continues to invest in its online retail trading platform for delivery of dairy, convenience and grocery products to residential customers in the North West. This remains a priority area for activity and investment for the future due to strong sales performance in this market segment due to a desire among consumers for both convenience and authentic local goods delivered to their homes. Environmental concerns over single use plastic & climate change is still encouraging a switch back to locally sourced, wholesome food in washable and re-useable glass bottles.

The group is also investing in its other IT systems for stock and delivery management, accounting and the cyber security of those systems.

The group has continued to source the majority of its raw milk requirements from selected high quality farms in the North West, particularly in Cheshire. Our online grocery is underpinned by strong relationships with high quality local providers of meat, fish, bakery, fruit and vegetable products. This strengthens our position with customers as a high quality supplier of genuine local produce with strong links to our farmer and local suppliers and low food miles.

**Principal risks and uncertainties**

A return of Covid-19 or other health related restrictions will negatively affect sales volumes and delivery efficiencies to customers with office operations or involved in the hospitality sector, as will the potential disruption to schools.

Input cost price inflation especially in raw materials, wages, energy and transport costs has become and will remain a key risk and uncertainty in the year ahead. The time delay in identifying cost rises and implementing customer price rises has had a negative impact on profitability during the period. We shall continue to monitor, review and act upon the pass through of cost increases.

A return to heavy discounting of milk by the major and minor multiple retailers to win custom in the 'cost of living crisis' may lead to margin compression and loss of sales volume. The group will address this by remaining environmentally and price competitive for a home delivered product with strong local provenance and high quality, in many cases in a reusable glass container, and appeal to those consumers who value these characteristics and are willing to pay for them, particularly through reaching a wider audience in Greater Manchester and Cheshire with its online platform.

**Group Strategic Report (continued)**  
**For the year ended 30 September 2022**

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**Principal risks and uncertainties (continued)**

We will make further investment in the online dairy and convenience goods delivery model. We encourage customers of our traditional offline delivery service to switch to online where appropriate as it delivers enhanced customer interaction, service and cash collection benefits. We will also continue to invest in the marketing of our “Always Local” product range sold via the online platform which comprises high quality butcher, baker, fishmonger and staple green grocer products. We have seen the online business engage a new customer demographic compared to our traditional doorstep business. We are also investing generally in our IT infrastructure, software and staff training and awareness to constantly improve our productivity, financial control, cyber security and GDPR compliance.

Glass bottled milk particularly via our online platform continues to be very popular. Our strong local reputation and food provenance, extensive delivery network and well established glass bottle delivery system using reusable bottles with zero packaging waste is proving an attractive consumer proposition.

We also aim to retain and grow milk sales volumes in the wholesale, middle ground and contract packing segments which gives breadth and depth to our business model and on contract packing we have taken on significant new manufacturing commitments for some specialist milk such as organic and barista milks and orange juice.

Creditworthiness of our customers remains a risk. However, the group has a very diverse and well spread customer base and the group actively manages its debtors to keep risk exposure to acceptable levels and to follow up on slow or non-payment. Our bad debt provision and write off levels remain very low.

The group’s revenues and costs derive entirely inside the UK (and principally the North West of England) so with the exception of the impact of world markets on the UK price of raw milk, cream, packaging materials, energy and fuel it is largely domestically focused.

A safe working and operating environment for all our staff, customers, contractors and suppliers is of the utmost importance to the board of directors and to that end they have put in place policies, procedures, management and systems to plan, analyse, monitor and act on all aspects of health and safety within the business from farm collections of milk, through to production, logistics and fleet management, customer deliveries and administration. The Board have appointed a suitably qualified Health & Safety Manager and personally supervise regular meetings with the management of the group who have responsibility for operational health and safety.

We seek to support, train and listen to our staff and conduct occasional employee engagement surveys and follow up with initiatives to meet any concerns raised.

The group also takes its corporate and social responsibility seriously. It is a member of the Dairy Energy Savings Scheme, has completed its ESOS assessments and will continue to invest in energy saving measures. We work with our packaging and other suppliers to find ways of reducing the amount of packaging materials used in our packing operations. Our poly bottle supplier uses a significant amount (30%) of recycle in the bottles which are themselves fully recyclable through the normal council recycling system. Our widespread and growing use of washable reusable glass bottles and electric delivery vehicles means we have long led the way in sustainable food delivery systems and are benefitting from the trend towards reusable glass for milk.

The group is also a generous charitable donor, on its own account, supporting charities involved in the improvement of the lives of young people in Manchester and its environs such as The Message and Cre8, and also through its customer lottery scheme which supports numerous worthy local charities such as Francis House Children’s Hospice and St Ann’s Hospice.

Since the onset of the Covid 19 pandemic the group has taken the necessary steps to continue its operations as an essential service supplying milk and groceries to customers. This has included operational changes to reduce potential for transmission of infection within our business and changes to comply with government regulations on social distancing and hygiene such as home working for many administrative staff and furloughing of operational staff who have had to be shielded but who cannot work from home and reorganisation of our work practices and places. We would resume this approach if there were any change to government policy in this area.

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Swallow Holdings Limited

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**Group Strategic Report (continued)**  
**For the year ended 30 September 2022**

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**Financial key performance indicators**

The key financial performance indicators for the past five years are as follows:

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Turnover £'000	33,569	29,336	28,962	27,442	26,353
Gross profit £'000	14,120	13,675	13,676	12,969	12,367
Gross profit %	42%	47%	47%	47%	47%
EBITDA £'000	1,491	1,740	1,741	2,260	1,910
Operating profit excl. exceptional items £'000	538	798	696	1,162	804
Employee numbers	268	262	270	261	263
Turnover / employee £'000	125	112	107	105	100

This report was approved by the board and signed on its behalf.

**R K B Purvis**  
Director

**C D Swallow**  
Director

Date: 14 April 2023

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## Swallow Holdings Limited

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### Directors' Report For the year ended 30 September 2022

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The directors present their report and the financial statements for the year ended 30 September 2022.

#### Directors' responsibilities statement

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements 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 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Results and dividends

The profit for the year, after taxation, amounted to £336,994 (2021 - £600,240).

Dividends paid during the year amounted to £600,000 (2021 - £600,000).

The directors do not recommend payment of a final dividend.

#### Directors

The directors who served during the year were:

R K B Purvis  
A D Swallow  
C D Swallow  
H H G Swallow

#### Charitable donations

During the year the group donated £22,450 (2021 - £30,374) to UK registered charities.

**Directors' Report (continued)**  
**For the year ended 30 September 2022**

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**Future developments**

The business remains well set to benefit from its diverse and solid customer base and its large and dense potential market for customers using a technology led approach to connecting with and serving them which yields regular repeat custom and the ability to sell a diverse range of products. It has low cost, strategically well positioned and well invested manufacturing and distribution facilities in Manchester, Warrington and Kendal. We will continue to bid for profitable business using our available production and distribution capacity and in particular will invest in and market heavily to residential consumers our online milk and convenience and "Best of Local" grocery offering in the year ahead. We will also seek to grow sales of our own produced product range of fresh, organic, specialist milks and orange juice.

The directors consider the group to be in a strong financial position and plan to expand the group's operations by organic growth and acquisition of further business if the opportunity presents itself in the future.

**Research and development**

The group continues to invest in the development of its website and integration with logistics and billing systems and in new production capabilities.

**Engagement with employees**

The group places considerable value on the involvement of its employees and has continued its existing practice of keeping them informed on matters affecting them as employees and on various matters affecting the performance of the group. The group has invested in an intranet which allows staff to see and understand important group information, policies and procedures. In particular the group will involve employees in developing a strong health and safety culture by creating opportunities for them to easily communicate concerns and ideas about how to improve the group's performance in this area.

**Disabled employees**

Disabled persons are employed by the group when they appear to be suited to a particular vacancy. Where an existing employee becomes disabled every effort is made to continue to provide suitable employment, either in the same or in an alternative position.

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditors are aware of that information.

**Post balance sheet events**

There have been no significant events affecting the Group since the year end.

**Auditors**

The auditors, Hurst Accountants Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.



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**Swallow Holdings Limited**

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**Directors' Report (continued)**  
**For the year ended 30 September 2022**

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This report was approved by the board and signed on its behalf.

**R K B Purvis**  
**Director**

Date: 14 April 2023

**C D Swallow**  
**Director**

Date: 14 April 2023

**Independent Auditors' Report to the Members of Swallow Holdings Limited**

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**Opinion**

We have audited the financial statements of Swallow Holdings Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 30 September 2022, which comprise the Group statement of comprehensive income, the Group and company statements of financial position, the Group statement of cash flows, the analysis of net debt, the Group and company statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 September 2022 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the 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 directors 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 auditors' report thereon. The directors are 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.

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**Independent Auditors' Report to the Members of Swallow Holdings Limited (continued)**

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**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the group strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the group strategic report and the directors' 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 group strategic report or the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and 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 directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

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**Independent Auditors' Report to the Members of Swallow Holdings Limited (continued)**

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**Auditors' 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 auditors' 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 Group 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:

**Identifying and assessing potential risks related to irregularities**

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector in which the group operates; the control environment and business performance including key drivers for directors' remuneration, bonus levels and performance targets.
- The outcome of enquiries of management, including whether management was aware of any instances of non-compliance with laws and regulations, and whether management had knowledge of any actual, suspected, or alleged fraud.
- Supporting documentation relating to the group's policies and procedures for:
  - Identifying, evaluating, and complying with laws and regulations
  - Detecting and responding to the risks of fraud
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- The outcome of discussions amongst the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- The legal and regulatory framework in which the group operates, particularly those laws and regulations which have a direct effect on the financial statements, such as the Companies Act 2006, pensions and tax legislation, or which had a fundamental effect on the operations of the group, including General Data Protection requirements, and Anti-bribery and Corruption.

**Audit response to risks identified**

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with the provisions of those relevant laws and regulations which have a direct effect on the financial statements.
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Evaluation and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities.
- Enquiring of management about any actual and potential litigation and claims.
- Performing analytical procedures to identify any unusual or unexpected relationships which may indicate risks of material misstatement due to fraud.

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**Independent Auditors' Report to the Members of Swallow Holdings Limited (continued)**

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We have also considered the risk of fraud through management override of controls by:

- Testing the appropriateness of journal entries and other adjustments. We have used data analytics software to identify accounting transactions which may pose a heightened risk of material misstatement, whether due to fraud or error.
- Challenging assumptions made by management in their significant accounting estimates, and assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above, and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of them. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

**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 auditors' 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.

Chris Stewardson (senior statutory auditor)

for and on behalf of

**Hurst Accountants Limited**

Chartered Accountants

Statutory Auditors

Lancashire Gate

21 Tiviot Dale

Stockport

Cheshire

SK1 1TD

17 April 2023

Swallow Holdings Limited

**Consolidated Statement of Comprehensive Income**  
**For the year ended 30 September 2022**

	Note	2022 £	2021 £
Turnover	4	33,568,571	29,336,113
Cost of sales		(19,448,479)	(15,661,342)
<b>Gross profit</b>		<b>14,120,092</b>	<b>13,674,771</b>
Distribution costs		(10,388,510)	(9,848,609)
Administrative expenses		(3,547,004)	(3,552,547)
Other operating income	5	336,902	372,824
Fair value movements	17	-	151,300
<b>Operating profit</b>	6	<b>521,480</b>	<b>797,739</b>
Interest receivable and similar income	10	23,333	2,131
Interest payable and similar expenses	11	(28,615)	(34,981)
<b>Profit before taxation</b>		<b>516,198</b>	<b>764,889</b>
Tax on profit	12	(179,204)	(164,649)
<b>Profit for the financial year</b>		<b>336,994</b>	<b>600,240</b>
Deferred tax movements	25	(41,983)	17,784
<b>Total comprehensive income for the year</b>		<b>295,011</b>	<b>618,024</b>
<b>Profit for the year attributable to:</b>			
Owners of the parent company		336,994	600,240
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the parent company		295,011	618,024

There were no recognised gains and losses for 2022 or 2021 other than those included in the consolidated statement of comprehensive income.

The notes on pages 18 to 36 form part of these financial statements.

**Swallow Holdings Limited**  
**Registered number: 02979029**

**Consolidated Statement of Financial Position**  
**As at 30 September 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	14	238,001	284,657
Tangible assets	15	5,547,847	6,174,773
Investment property	17	1,050,000	1,050,000
		<u>6,835,848</u>	<u>7,509,430</u>
<b>Current assets</b>			
Stocks	18	495,913	433,059
Debtors: amounts falling due within one year	19	4,185,976	3,092,914
Cash at bank and in hand	20	3,519,229	4,074,617
		<u>8,201,118</u>	<u>7,600,590</u>
Creditors: amounts falling due within one year	21	(3,892,563)	(3,363,902)
<b>Net current assets</b>		<u>4,308,555</u>	<u>4,236,688</u>
<b>Total assets less current liabilities</b>		<u>11,144,403</u>	<u>11,746,118</u>
Creditors: amounts falling due after more than one year	22	(446,237)	(783,089)
<b>Provisions for liabilities</b>			
Deferred taxation	25	(376,467)	(336,341)
<b>Net assets</b>		<u><u>10,321,699</u></u>	<u><u>10,626,688</u></u>
<b>Capital and reserves</b>			
Called up share capital	26	20,000	20,000
Share premium account	27	390,000	390,000
Profit and loss account	27	9,911,699	10,216,688
<b>Equity attributable to owners of the parent company</b>		<u><u>10,321,699</u></u>	<u><u>10,626,688</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**R K B Purvis**  
Director

Date: 14 April 2023

**C D Swallow**  
Director

Date: 14 April 2023

The notes on pages 18 to 36 form part of these financial statements.

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**Swallow Holdings Limited**  
**Registered number: 02979029**

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**Company Statement of Financial Position**  
**As at 30 September 2022**

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	Note	2022 £	2021 £
<b>Fixed assets</b>			
Investments	16	928,339	928,339
Creditors: amounts falling due within one year	21	(493)	(493)
<b>Net assets</b>		<u>927,846</u>	<u>927,846</u>
<b>Capital and reserves</b>			
Called up share capital	26	20,000	20,000
Share premium account	27	390,000	390,000
Profit and loss account brought forward		517,846	517,846
Profit for the year		600,000	600,000
Dividends	13	(600,000)	(600,000)
Profit and loss account carried forward		<u>517,846</u>	<u>517,846</u>
		<u>927,846</u>	<u>927,846</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**R K B Purvis**  
Director

**C D Swallow**  
Director

Date: 14 April 2023

Date: 14 April 2023

The notes on pages 18 to 36 form part of these financial statements.



Swallow Holdings Limited

**Consolidated Statement of Changes in Equity**  
**For the year ended 30 September 2022**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>At 1 October 2020</b>	<b>20,000</b>	<b>390,000</b>	<b>10,198,664</b>	<b>10,608,664</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	600,240	600,240
Deferred tax movements	-	-	17,784	17,784
<b>Other comprehensive income for the year</b>	-	-	17,784	17,784
<b>Total comprehensive income for the year</b>	-	-	618,024	618,024
Dividends: Equity capital	-	-	(600,000)	(600,000)
<b>Total transactions with owners</b>	-	-	(600,000)	(600,000)
<b>At 1 October 2021</b>	<b>20,000</b>	<b>390,000</b>	<b>10,216,688</b>	<b>10,626,688</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	336,994	336,994
Deferred tax movements	-	-	(41,983)	(41,983)
<b>Other comprehensive income for the year</b>	-	-	(41,983)	(41,983)
<b>Total comprehensive income for the year</b>	-	-	295,011	295,011
Dividends: Equity capital	-	-	(600,000)	(600,000)
<b>Total transactions with owners</b>	-	-	(600,000)	(600,000)
<b>At 30 September 2022</b>	<b>20,000</b>	<b>390,000</b>	<b>9,911,699</b>	<b>10,321,699</b>

The notes on pages 18 to 36 form part of these financial statements.

Swallow Holdings Limited

**Company Statement of Changes in Equity**  
**For the year ended 30 September 2022**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>At 1 October 2020</b>	<b>20,000</b>	<b>390,000</b>	<b>517,846</b>	<b>927,846</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	600,000	600,000
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	600,000	600,000
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital	-	-	(600,000)	(600,000)
<b>Total transactions with owners</b>	-	-	(600,000)	(600,000)
<b>At 1 October 2021</b>	<b>20,000</b>	<b>390,000</b>	<b>517,846</b>	<b>927,846</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	600,000	600,000
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	600,000	600,000
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital	-	-	(600,000)	(600,000)
<b>Total transactions with owners</b>	-	-	(600,000)	(600,000)
<b>At 30 September 2022</b>	<b>20,000</b>	<b>390,000</b>	<b>517,846</b>	<b>927,846</b>

The notes on pages 18 to 36 form part of these financial statements.

Swallow Holdings Limited

**Consolidated Statement of Cash Flows**  
**For the year ended 30 September 2022**

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	336,994	600,240
<b>Adjustments for:</b>		
Amortisation of intangible assets	84,645	83,117
Depreciation of tangible assets	867,537	1,010,591
Loss / (profit) on disposal of tangible assets	14,786	(2,886)
Interest paid	28,615	34,981
Interest received	(23,333)	(2,131)
Taxation charge	179,204	164,649
(Increase) in stocks	(62,854)	(72,698)
(Increase)/decrease in debtors	(1,093,062)	74,153
Increase/(decrease) in creditors	593,730	(97,812)
Net fair value losses/(gains) recognised in P&L	-	(151,300)
Corporation tax (paid)	(103,299)	(448,750)
<b>Net cash generated from operating activities</b>	<b>822,963</b>	<b>1,192,154</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(37,989)	(38,552)
Purchase of tangible fixed assets	(261,945)	(745,655)
Sale of tangible fixed assets	6,548	4,392
Interest received	23,333	2,131
HP interest paid	(20,464)	(25,688)
<b>Net cash from investing activities</b>	<b>(290,517)</b>	<b>(803,372)</b>
<b>Cash flows from financing activities</b>		
Repayment of loans	(104,718)	(102,837)
Repayment of/new finance leases	(374,965)	(455,966)
Dividends paid	(600,000)	(600,000)
Interest paid	(8,151)	(9,293)
<b>Net cash used in financing activities</b>	<b>(1,087,834)</b>	<b>(1,168,096)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(555,388)</b>	<b>(779,314)</b>
Cash and cash equivalents at beginning of year	4,074,617	4,853,931
<b>Cash and cash equivalents at the end of year</b>	<b>3,519,229</b>	<b>4,074,617</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	3,519,229	4,074,617

The notes on pages 18 to 36 form part of these financial statements.

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**Swallow Holdings Limited**

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**Consolidated Analysis of Net Debt  
For the year ended 30 September 2022**

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	At 1 October 2021	Cash flows	Other non-cash changes	At 30 September 2022
	£	£	£	
Cash at bank and in hand	4,074,617	(555,388)	-	3,519,229
Debt due after 1 year	(209,111)	-	98,582	(110,529)
Debt due within 1 year	(105,186)	104,718	(98,582)	(99,050)
Finance leases	(959,153)	374,965	-	(584,188)
	<u>2,801,167</u>	<u>(75,705)</u>	<u>-</u>	<u>2,725,462</u>

Notes to the Financial Statements  
For the year ended 30 September 2022

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**1. General information**

Swallow Holdings Limited is a private company limited by share capital, incorporated in England, registered number 02979029. The address of the registered office and principal place of business is Mellors Road, Trafford Park, Manchester, M17 1PB. The principal activity of the company is acting as a holding company. The nature of the group's operations and principal activities is the retail and wholesale of milk, dairy and grocery products.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies (see note 3).

The parent company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The group has also taken the exemption not to present the cash flow statement or net debt reconciliation for the parent company.

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

The consolidated financial statements present the results of the group and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Notes to the Financial Statements  
For the year ended 30 September 2022

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**2. Accounting policies (continued)**

**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**2.4 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the consolidated statement of comprehensive income over its useful economic life.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

**2.5 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Notes to the Financial Statements  
For the year ended 30 September 2022

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**2. Accounting policies (continued)**

**2.5 Tangible fixed assets (continued)**

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- Fifty and ten years
Leasehold improvements	- Straight line over life of lease
Plant and machinery	- 10 - 20%
Motor vehicles	- 10 - 20%
Computer equipment	- 25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.6 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.7 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Finished goods include labour and attributable overheads.

Notes to the Financial Statements  
For the year ended 30 September 2022

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**2. Accounting policies (continued)**

**2.8 Financial instruments**

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an 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.

**2.9 Research and development**

Expenditure relating to the development of software used within the business is capitalised as an intangible fixed asset and amortised on a straight line basis over the estimated useful life. Associated sundry costs are recognised in profit or loss in the period they are incurred.

**2.10 Operating leases: the Group as lessor**

Rental income from operating leases is credited to profit or loss on a straight line basis over the lease term.

**2.11 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.12 Leased assets: the Group as lessee**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the group. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.13 Government grants**

Grants of a revenue nature are recognised in the consolidated statement of comprehensive income in the same period as the related expenditure.



Notes to the Financial Statements  
For the year ended 30 September 2022

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**2. Accounting policies (continued)**

**2.14 Pensions**

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

**2.15 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.16 Investment property**

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

Notes to the Financial Statements  
For the year ended 30 September 2022

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. 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.

Management do not consider there to be any critical judgements or key sources of estimation uncertainty in the preparation of these accounts.

4. Turnover

All turnover arose from the group's principal activity wholly undertaken in the UK.

5. Other operating income

	2022 £	2021 £
Other operating income	336,902	328,253
Government grants receivable	-	44,571
	<u>336,902</u>	<u>372,824</u>

Government grants receivable relates to amount received in relation to the Coronavirus Job Retention Scheme.

6. Operating profit

The operating profit is stated after charging/(crediting):

	2022 £	2021 £
Depreciation of tangible fixed assets	867,537	1,010,591
Amortisation of intangible assets, including goodwill	84,645	83,117
Operating lease rentals	112,685	106,137
Profit / (loss) on sale of tangible assets	(14,786)	2,886
Research and development charged as an expense	<u>17,016</u>	<u>5,282</u>

Swallow Holdings Limited

**Notes to the Financial Statements**  
**For the year ended 30 September 2022**

**7. Auditors' remuneration**

	<b>2022</b>	<i>2021</i>
	<b>£</b>	<i>£</i>
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u><b>17,800</b></u>	<u><i>14,850</i></u>
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
Taxation compliance services	<b>4,700</b>	<i>4,370</i>
Other services relating to taxation	<u><b>3,500</b></u>	<u><i>11,150</i></u>

**8. Employees**

Staff costs, including directors' remuneration, were as follows:

	<b>Group</b>	<i>Group</i>
	<b>2022</b>	<i>2021</i>
	<b>£</b>	<i>£</i>
Wages and salaries	<b>6,779,925</b>	<i>6,376,321</i>
Social security costs	<b>597,921</b>	<i>537,857</i>
Cost of defined contribution scheme	<u><b>198,760</b></u>	<u><i>197,428</i></u>
	<u><b>7,576,606</b></u>	<u><i>7,111,606</i></u>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2022</b>	<i>2021</i>
	<b>No.</b>	<i>No.</i>
Distribution	<b>199</b>	<i>198</i>
Administration	<b>69</b>	<i>64</i>
	<u><b>268</b></u>	<u><i>262</i></u>

**9. Directors' remuneration**

	<b>2022</b>	<i>2021</i>
	<b>£</b>	<i>£</i>
Directors' emoluments	<u><b>147,833</b></u>	<u><i>146,979</i></u>

Swallow Holdings Limited

Notes to the Financial Statements  
For the year ended 30 September 2022

10. Interest receivable

	2022 £	2021 £
Other interest receivable	<u>23,333</u>	<u>2,131</u>

11. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	8,151	9,293
Finance leases and hire purchase contracts	<u>20,464</u>	<u>25,688</u>
	<u>28,615</u>	<u>34,981</u>

12. Taxation

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on profits for the year	<u>181,061</u>	<u>103,299</u>
<b>Total current tax</b>	<u>181,061</u>	<u>103,299</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>(1,857)</u>	<u>61,350</u>
<b>Taxation on profit on ordinary activities</b>	<u>179,204</u>	<u>164,649</u>

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Swallow Holdings Limited

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Notes to the Financial Statements  
For the year ended 30 September 2022

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12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>516,198</u>	<u>764,889</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	98,078	145,329
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	16,082	15,793
Expenses not deductible for tax purposes	2,271	3,861
Depreciation on ineligible assets	22,894	22,926
Super deduction pool adjustment	(13,772)	(13,998)
Future changes in the tax rate leading to an increase (decrease) in taxation	53,651	-
Research and development uplift	-	(9,262)
<b>Total tax charge for the year</b>	<u>179,204</u>	<u>164,649</u>

Factors that may affect future tax charges

The main rate of corporation tax is due to increase to 25% in the tax year commencing 1 April 2023 for companies where profits exceed £250,000. A tapered rate will be introduced for profits above £50,000 up to the £250,000 limit.

13. Dividends

	2022 £	2021 £
Dividends paid on equity capital	<u>600,000</u>	<u>600,000</u>

Notes to the Financial Statements  
For the year ended 30 September 2022

14. Intangible assets

Group

	Website development £	Goodwill £	Total £
<b>Cost</b>			
At 1 October 2021	428,387	2,675,158	3,103,545
Additions	29,989	8,000	37,989
At 30 September 2022	458,376	2,683,158	3,141,534
<b>Amortisation</b>			
At 1 October 2021	249,317	2,569,571	2,818,888
Charge for the year	38,535	46,110	84,645
At 30 September 2022	287,852	2,615,681	2,903,533
<b>Net book value</b>			
At 30 September 2022	170,524	67,477	238,001
<i>At 30 September 2021</i>	<i>179,070</i>	<i>105,587</i>	<i>284,657</i>

Website development includes costs incurred to design and implement the group's online selling platform and intranet. These costs are being amortised over 5 years being managements estimate of the useful economic life of the asset. The amortisation charge is included within administrative expenses in the statement of comprehensive income.

Goodwill represents consideration paid in excess of the net assets acquired following the purchase of trade. Additions in the current year relate to the ongoing purchase of local businesses.

Swallow Holdings Limited

Notes to the Financial Statements  
For the year ended 30 September 2022

15. Tangible fixed assets

Group

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Leasehold additions £	Total £
<b>Cost or valuation</b>						
At 1 October 2021	4,227,451	105,000	4,291,093	5,205,110	24,956	13,853,610
Additions	-	-	226,948	34,997	-	261,945
Disposals	-	-	(548)	(147,521)	-	(148,069)
Transfers between classes	62,118	-	(62,118)	-	-	-
At 30 September 2022	<u>4,289,569</u>	<u>105,000</u>	<u>4,455,375</u>	<u>5,092,586</u>	<u>24,956</u>	<u>13,967,486</u>
<b>Depreciation</b>						
At 1 October 2021	551,470	14,701	3,263,016	3,824,694	24,956	7,678,837
Charge for the year	117,853	2,099	232,735	514,850	-	867,537
Disposals	-	-	-	(126,735)	-	(126,735)
Transfers between classes	26,695	-	(26,695)	-	-	-
At 30 September 2022	<u>696,018</u>	<u>16,800</u>	<u>3,469,056</u>	<u>4,212,809</u>	<u>24,956</u>	<u>8,419,639</u>
<b>Net book value</b>						
At 30 September 2022	<u>3,593,551</u>	<u>88,200</u>	<u>986,319</u>	<u>879,777</u>	<u>-</u>	<u>5,547,847</u>
At 30 September 2021	<u>3,675,981</u>	<u>90,299</u>	<u>1,028,077</u>	<u>1,380,416</u>	<u>-</u>	<u>6,174,773</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022 £	2021 £
Motor vehicles	<u>564,369</u>	<u>969,477</u>

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Swallow Holdings Limited

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Notes to the Financial Statements  
For the year ended 30 September 2022

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16. Fixed asset investments

Company

Investments in  
subsidiary  
companies  
£

Cost or valuation

At 1 October 2021

928,339

At 30 September 2022

928,339

Subsidiary undertaking

The following was a subsidiary undertaking of the company:

Name	Registered office	Class of shares	Holding
Creamline Dairies Limited	Mellors Road, Trafford Park, M17 1PB	Ordinary	100 %

The results of Creamline Dairies Limited for the 52 weeks ended 24 September 2022 and its assets and liabilities at that date are included in the consolidated accounts.



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**Swallow Holdings Limited**

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**Notes to the Financial Statements**  
**For the year ended 30 September 2022**

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**17. Investment property**

**Group**

**Freehold  
investment  
property  
£**

**Valuation**

At 1 October 2021

1,050,000

**At 30 September 2022**

1,050,000

The investment property was valued on 18 December 2020, carried out by external independent qualified valuers, Ridley Thaw LLP, with recent experience valuing investment properties in the location. The valuation was undertaken in accordance with the Royal Institution of Chartered Surveyors' Valuation Standards. The directors are of the opinion that market value at 18 December 2020 is not materially different to the market value at 30 September 2022.

**18. Stocks**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>Company 2022 £</b>	<i>Company 2021 £</i>
Raw materials and consumables	184,668	176,605	-	-
Finished goods and goods for resale	311,245	256,454	-	-
	<u><u>495,913</u></u>	<u><u>433,059</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

**Swallow Holdings Limited**

**Notes to the Financial Statements  
For the year ended 30 September 2022**

**19. Debtors**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>Company 2022 £</b>	<i>Company 2021 £</i>
Trade debtors	3,429,722	2,454,122	-	-
Other debtors	309,908	285,859	-	-
Prepayments and accrued income	446,346	352,933	-	-
	<u>4,185,976</u>	<u>3,092,914</u>	<u>-</u>	<u>-</u>

During the period an impairment loss of £86,553 (2021 - £20,261) was recognised in the period against trade debtors.

**20. Cash and cash equivalents**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>Company 2022 £</b>	<i>Company 2021 £</i>
Cash at bank and in hand	<u>3,519,229</u>	<u>4,074,617</u>	<u>-</u>	<u>-</u>

**21. Creditors: Amounts falling due within one year**

	<b>Group 2022 £</b>	<i>Group 2021 £</i>	<b>Company 2022 £</b>	<i>Company 2021 £</i>
Bank loans	99,050	105,186	-	-
Trade creditors	2,390,125	1,902,068	-	-
Corporation tax	181,061	103,299	-	-
Other taxation and social security	143,499	130,425	493	493
Obligations under finance lease and hire purchase contracts	248,480	385,175	-	-
Other creditors	178,258	180,045	-	-
Accruals and deferred income	652,090	557,704	-	-
	<u>3,892,563</u>	<u>3,363,902</u>	<u>493</u>	<u>493</u>

**Secured loans**

Bank loans are secured by a debenture and a fixed and floating charge over the assets of the company.

Net obligations under hire purchase contracts are secured against the assets to which they relate.

**Swallow Holdings Limited**

**Notes to the Financial Statements  
For the year ended 30 September 2022**

**22. Creditors: Amounts falling due after more than one year**

	<b>Group 2022</b>	<i>Group 2021</i>	<b>Company 2022</b>	<i>Company 2021</i>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans	<b>110,529</b>	<i>209,111</i>	<b>-</b>	<i>-</i>
Net obligations under finance leases and hire purchase contracts	<b>335,708</b>	<i>573,978</i>	<b>-</b>	<i>-</i>
	<b>446,237</b>	<i>783,089</i>	<b>-</b>	<i>-</i>

**Secured loans**

Bank loans are secured by a debenture and a fixed and floating charge over the assets of the group.

Net obligations under hire purchase contracts are secured against the assets to which they relate.

**23. Loans**

Analysis of the maturity of loans is given below:

	<b>Group 2022</b>	<i>Group 2021</i>	<b>Company 2022</b>	<i>Company 2021</i>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>				
Bank loans	<b>99,050</b>	<i>105,186</i>	<b>-</b>	<i>-</i>
<b>Amounts falling due 1-2 years</b>				
Bank loans	<b>110,529</b>	<i>107,880</i>	<b>-</b>	<i>-</i>
<b>Amounts falling due 2-5 years</b>				
Bank loans	<b>-</b>	<i>101,231</i>	<b>-</b>	<i>-</i>
	<b>209,579</b>	<i>314,297</i>	<b>-</b>	<i>-</i>

The bank loan is repayable in 24 monthly instalments at the rate of 2.35% per annum over the Bank of England base rate.

Bank loans are secured by a debenture and a fixed and floating charge over the assets of the group.

**Swallow Holdings Limited**

**Notes to the Financial Statements  
For the year ended 30 September 2022**

**24. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>Group 2022 £</b>	<i>Group 2021 £</i>
Within one year	250,361	398,073
Between 1-5 years	345,461	595,822
	<u>595,822</u>	<u>993,895</u>

**25. Deferred taxation**

**Group**

	<b>2022 £</b>	<i>2021 £</i>
At beginning of year	336,341	292,775
Charged/(credited) to profit or loss	(1,857)	61,350
Charged/(credited) to other comprehensive income	41,983	(17,784)
<b>At end of year</b>	<u>376,467</u>	<u>336,341</u>

The provision for deferred taxation is made up as follows:

	<b>Group 2022 £</b>	<i>Group 2021 £</i>
Accelerated capital allowances	230,536	230,457
Deferred tax on revaluation	152,921	110,938
Other timing differences	6,990	5,054
	<u>376,467</u>	<u>336,341</u>

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Swallow Holdings Limited

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Notes to the Financial Statements  
For the year ended 30 September 2022

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26. Share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
6,250 (2021 - 6,250) A Ordinary shares of £1.00 each	6,250	6,250
8,750 (2021 - 8,750) B Ordinary shares of £1.00 each	8,750	8,750
5,000 (2021 - 5,000) C Ordinary shares of £1.00 each	5,000	5,000
	<u>20,000</u>	<u>20,000</u>

All shares of class A, B & C rank pari passu with one vote per share.

27. Reserves

**Profit and loss account**

Comprises all current and prior period retained profits and losses.

Included within retained earnings are non-distributable reserves of £1,159,329 (2021: £1,279,912) in respect of revaluations of land and buildings, net of depreciation recognised in the profit and loss account in excess of depreciation applicable under the historical cost convention and associated deferred tax liabilities.

28. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £198,760 (2021 - £197,428). Contributions totalling £27,958 (2021 - £26,000) were payable to the fund at the balance sheet date and are included in creditors.

**Swallow Holdings Limited**

**Notes to the Financial Statements  
For the year ended 30 September 2022**

**29. Commitments under operating leases**

At 30 September 2022 the group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2022 £</b>	<i>Group 2021 £</i>
<b>Land and buildings</b>		
Not later than 1 year	<b>28,720</b>	28,720
Later than 1 year and not later than 5 years	<b>110,193</b>	133,630
Later than 5 years	<b>448,650</b>	472,683
	<b>587,563</b>	635,033
	<b>Group 2022 £</b>	<i>Group 2021 £</i>
<b>Motor vehicles</b>		
Not later than 1 year	<b>47,115</b>	68,774
Later than 1 year and not later than 5 years	<b>14,583</b>	33,086
	<b>61,698</b>	101,860

**30. Leases**

**Company as a lessor**

The Company has entered lease agreements as a lessor that are considered to be operating leases.

**Operating leases**

The following table summarises the undiscounted lease payments receivable after the reporting date.

	<b>2022 £</b>	<i>2021 £</i>
Not later than one year	<b>80,000</b>	80,000
Between one and two years	<b>80,000</b>	80,000
Between two and three years	<b>80,000</b>	80,000
Between three and four years	<b>61,500</b>	80,000
Between four and five years	<b>43,500</b>	61,500
Later than five years	<b>107,500</b>	150,500
<b>Total undiscounted lease payments receivable</b>	<b>452,500</b>	532,000

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**Swallow Holdings Limited**

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**Notes to the Financial Statements  
For the year ended 30 September 2022**

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**31. Related party transactions**

The directors have taken advantage of the exemption available under FRS 102 section 33.1A and have not disclosed transactions with companies wholly owned within the group.

Key management personnel compensation totalled £147,832 (2021: £146,979).

**32. Controlling party**

The group is under the control of C Swallow by virtue of his majority shareholding.

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