REGISTERED NUMBER: 01301976 (England and Wales)

OWENS (ROAD SERVICES) LIMITED

GROUP STRATEGIC REPORT,

REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2021

Bevan Buckland LLP
Chartered Accountants
And Statutory Auditors
Ground Floor Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

OWENS (ROAD SERVICES) LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2021

DIRECTORS:	T H Owen E W Owen Mrs C L Owen R I Owen
SECRETARY:	R J Williams
REGISTERED OFFICE:	Dafen Industrial Estate Dafen Llanelli Carmarthenshire SA14 8QE
REGISTERED NUMBER:	01301976 (England and Wales)
AUDITORS:	Bevan Buckland LLP Chartered Accountants And Statutory Auditors Ground Floor Cardigan House Castle Court Swansea Enterprise Park Swansea SA7 9LA

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2021

The directors present their strategic report of the company and the group for the year ended 30 June 2021.

PRINCIPAL ACTIVITIES

The group provides transport and distribution services, contract logistics and warehousing facilities, palletised distribution, home delivery and value added services throughout the United Kingdom.

REVIEW OF BUSINESS

	2021	2020	2019	2018	2017
Turnover £'000	94,418	86,346	89,318	70,124	55,648
Gross Profit Margin	17%	16.5%	15%	13%	16%
Average Number of Employees	877	944	953	782	462

NB: The above figures exclude exceptional items and income from investment property.

The directors are delighted to report on another extremely good year for the business.

After several years of consistent, significant growth the year under review was planned to be a period of consolidation and re-assessment and the resulting underlying trading performance has been very pleasing.

The acquisition of BTS Haulage Ltd (BTS) in July 2018 was a strategic move to widen the group's operational network in the UK. This was seen as a medium to long-term investment and it is really pleasing to see BTS return to consistent profitability in such a relatively short period of time. This is a direct result of the actions taken and initiatives implemented immediately following the acquisition and the directors have every confidence that BTS' turnover and profitability will continue to increase in the year to June 2022 and beyond.

The diversified nature of the business activities continues to be a strong point and the group continues to be well placed and able to respond quickly to new opportunities or volatility in economic conditions and market demand.

The consolidated profit before taxation for the year was £6.1m compared with £2.6m for the previous year. The current year's results include profits of £0.3m and goodwill amortisation of £0.12m in relation to BTS.

The group's warehousing revenues have remained extremely strong throughout the year due in no small measures to the fact that some customers have been stockpiling product to allay their Brexit and Covid concerns.

The group has incurred significant capital expenditure in recent years in order to support the growth in activities. During this time the focus has been to increase the proportion of the fleet owned (purchased) and to reduce the proportion acquired under operating leases. During the current year, however, we have seen a period of consolidation and whilst we have continued to invest in the 'rolling stock' it has not been at the levels previously needed to fund the exceptional growth. As a result of this the hire purchase liabilities have reduced in the period from £13.7m to £12.2m and working capital requirements have also decreased reflecting the profitability in both the company and the BTS subsidiary.

When you take all of the above factors into account there overall the net liabilities of the Group have remained largely static at £ 4.6 m at 30th June 2021 to £4.0m at 30th June 2020

The total liabilities of the Group, to include HP and Property loan funding continues to be repaid from cash generated from profitable operations both in the company and in the BTS subsidiary.

At the later end of the financial year the group purchased the entire share capital of Celtic Couriers (Holdings) Limited and its subsidiary Celtic Couriers Limited. The group views this acquisition as an important additional route to market which it intends to invest in and grow for the long term.

The Groups cash generation subsequent to the year end and its forecast cash generation is sufficient to enable it to meet its obligations and the company has operated and is forecast to operate within all of its funding limits and covenants.

FUTURE OUTLOOK

The directors are very pleased with the overall results this year and with the group's development in recent years. The strategic acquisition and restructure of BTS has been successful and has enhanced the group's UK wide network as will Celtic Couriers Limited. The directors believe that the group is well placed to respond to new opportunities and customer demand in order to continue to grow its operations and profitability, allowing for a period of consolidation after several consecutive years of significant growth.

Trading conditions have been challenging during the year ending 30th June 2021 as a result of uncertain and volatile economic conditions caused by Brexit and Covid affecting general haulage customer demand and the labour market. However, the group has continued to successfully implement the initiatives started in 2019 to improve fuel consumption and operational efficiency and overall profitability has been maintained broadly in line with 2018/19.

Throughout this period warehousing revenues have remained strong and the company acquired additional freehold premises in January 2020 with a view to increasing its storage/warehousing capacity to satisfy anticipated demand. This has proved to be an excellent investment and the site is already contributing to the service we have to offer and it is providing much needed job opportunities in the local area.

In October 2020 the company achieved an 'A' rated accreditation under the BRCGS Global standard for food safety, storage and distribution. This is a major achievement adding another string to our bow in terms of the type of services we are able to offer in the future.

A number of new contracts have been secured in 2021 which, together with the impact of the continuing focus on operational efficiency are expected to contribute to an increase in profitability in future years. The directors remain confident that the group will continue to grow and thrive in the future.

As is the case with most businesses across the UK, and indeed, across the world the group has been impacted by the lockdowns first imposed in April 2020 to prevent the spread of Covid-19. The lockdowns have brought about a change in activity levels within the business with some customers decreasing and others increasing, depending on the industry/market sectors they operate in.

The group has successfully mitigated the impact of these changes in activity levels by reducing its costs and redirecting resources away from areas of low activity to those that are busiest. Throughout this period, the group has focused on ensuring the safety and welfare of all its staff and those of its suppliers and customers with additional emphasis being placed on the safety of the public in the communities/locations we operate in.

At the date of signing this report the directors do not believe there to be any long-term impact. The directors do, however, recognise that these are unprecedented and uncertain times and there could be future risks associated with any protracted downturn in the economy and these risks are addressed in more detail below.

The company has shown a strong trading performance in the financial year 21/22.

The group has good positive cash flow, strong reserves and a wide-ranging customer base that gives the directors confidence that the organisation is well placed to ride out the current situation and manage any economic and operational challenges that may follow.

BUSINESS RISKS

Financial Risk

The group uses various financial instruments which include cash and other items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the group's operations.

The main risk arising from the group's financial instruments are interest rate risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Liquidity Risk

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitability. Short-term flexibility is achieved by overdraft facilities and sales financing.

The group finances its investments in tangible fixed assets primarily through hire purchase contracts. The maturity of these obligations is set out in note (20) "Obligations under hire purchase contracts and leases" in the notes to the financial statements. In addition the group makes use of short and medium term operating leases.

Interest Rate Risk

The group finances its operations through a combination of retained profits, sales financing, long term loans and hire purchase agreements: -

- The interest rate on sales financing is variable.
- The group renewed the loan facility in September 2018 for a further 5 year period fixing the interest rate in the process.
- The group manages its exposure to interest rate fluctuations on its hire purchase agreements by entering into fixed rate agreements.
- The group manages the liquidity risk by ensuring there are sufficient funds to meet the payments.

Credit Risk

The group's principal financial assets are cash and trade debtors. The principal credit risk arises from its trade debtors. In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

Trading Risks

Fuel Prices:

From a trading perspective fuel represents a significant cost to the business and as such fluctuations in price can have a significant effect on trading performance. In order to mitigate this risk the company has implemented a set of wide ranging fuel price escalators within customers contracts.

Driver Availability:

The availability of sufficient skilled drivers continues to be a risk to the sector as a whole and it would seem likely that this will continue to be an issue for the foreseeable future. We are confident however that the measures we have put in place in terms of recruitment, training, and driver retention will be sufficient to mitigate this risk enabling us to place less reliance on external agency drivers going forward.

Brexit:

The directors continue to be mindful of the potential risks arising from the UK's decision to leave the EU.

The economic uncertainty surrounding this issue and resultant downturn in customer confidence has led, inevitably, to a reduction in demand in certain market sectors and this was felt throughout the period under review.

However, due to our broad customer base, wide market sector involvement and strategic depot locations across the UK we were able to adapt and respond to this changing environment swiftly enabling us to trade efficiently, effectively and profitably throughout this period and throughout the current financial year to June 2022.

Covid-19 Pandemic:

As identified above Covid-19 has impacted the UK economy and is impacting the group's operations and those of our customers and suppliers.

The extent of any continuing impact will depend on the economic confidence in the UK, the length of the lockdown and how quickly consumer confidence and customer demand will be restored. Based on our experience during the lockdown, to date, the directors do not expect such impact to significantly disrupt our long-term plans. However, in the short-term the directors have put in place a strategy enabling the company to identify, evaluate and mitigate any financial and operational risks whilst ensuring the safety of our staff and those of our customers and suppliers.

Government Legislation

The business operates under a variety of controls and regulations implemented by government bodies. These regulations set stringent operational standards and enhance the safety and environmental characteristics of the industry. Management ensures it has sufficient, robust procedures and controls in place to remain compliant with existing legislation and to enable it to react quickly to implement any changes.

Information Technology

The business continues to rely heavily on its IT infrastructure and systems to enable it to function efficiently. A continuing policy of appraisal and development ensures we keep pace with this ever changing environment. As a means to safeguard the integrity of our data we have invested in additional infrastructure and software and have policies in place to keep our systems safe. Our backups are both on-site and off-site. Our IT systems are supported by both external service providers and an in-house IT team. Documented protocols and risk assessments are in place as are comprehensive service level agreements with key support providers.

The directors are very aware of the risks posed to the business from cyber-attacks, malware, viruses and ransomware. In order to address this potentially damaging issue, internal security protocols have been enhanced, endpoint protections have been audited on all PCs, servers and laptops and staff have been alerted to be ultra-vigilant.

Health & Safety, Quality and Environment

The business has in place a rigorous and far reaching health & safety policy, and is committed to adhering to all legislation requirements imposed on it through the various enforcing authorities.

During the year the company has implemented new policies to combat the incidence of Covid-19. These policies have been implemented across all locations to ensure the business meets the strict government guidelines and legislation to safeguard the well-being of all staff.

We have a dedicated resource to manage this vitally important aspect of the business. The team work closely with senior management to identify, manage and reduce risk in all areas of the business ensuring we comply with all legal, corporate and customer requirement whilst also following industry best practice.

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2021

The group continues to invest in the latest technology available within the industry incorporating safety features such as lane departure warnings, forward facing cameras, GPS tracking and telematic systems thereby ensuring that the fleet is managed and driven safely, efficiently and in an environmentally responsible manner.

The company currently holds ISO9001:2015, and we are currently actively working towards ISO14001:2015 and ISO45001:2018.

The company are Bronze members of the FORS Scheme and are CLOCS Champions. We are members of the ROSPA and have complied with the government ESOS Phase 2 requirements.

The company has recently achieved accreditation under the BRCGS Global standard for the storage and distribution of food stuffs.

ON BEHALF OF THE BOARD:

R I Owen - Director

16 December 2021

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2021

The directors present their report with the financial statements of the company and the group for the year ended 30 June 2021.

DIVIDENDS
The profit for the year, after taxation, amounted to £4,668,140 and an interim dividend of £1,765.75 per share was paid on the 31st March 2021. The directors recommend that no final dividend will be paid. The total distribution of dividends for the year ended 30th June 2021 will be £176,576.

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 July 2020 to the date of this report.

T H Owen
E W Owen
Mrs C L Owen

Other changes in directors holding office are as follows:

R I Owen was appointed as a director after 30 June 2021 but prior to the date of this report.

POLITICAL & CHARITABLE CONTRIBUTIONS
The Company made no political contributions during the year (2020: £NIL). Donations to local UK Charities in the year amounted to £7,500 (2020 £7,500).

KEY PERFORMANCE INDICATORS
The directors consider that key performance indicators are those that communicate the financial performance and strength of the company/group as a whole, these being turnover, gross profit, operating profit and profit/loss before taxation as set out in the financial statements profit & loss account.

STATEMENT BY DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH s172(1) COMPANIES ACT 2006

The directors are well aware of their duty under s172 of the Companies Act 2006 to act in the way which they consider, in good faith, would most likely promote the success of the group for the benefit of its members as a whole and, in doing so, to have regards to the following: -

- The likely long-term consequences of any decision
- The interest of the group's employees
- The need to foster the group's business relationships with suppliers, customers and others
- The impact of the group's operations on the community and the environment
- The desirability of the group maintaining a reputation for high standards of business conduct
- The need to act fairly as between members of the group

EMPLOYEES
The company recognises that employee involvement is fundamental to its success. The directors attach paramount importance to the wellbeing of the company's workforce and are committed to their support, development and motivation. To this end the directors and senior management team have informal, constructive dialogue with employees on an ongoing basis and employees are encouraged to participate in training seminars and discussion groups covering specific areas of the business e.g. Health & Safety.

Owens Group is an equal pay and equal opportunities employer. We are committed to the principle of equality regardless of race, national origin, religious belief, political opinion or affiliation, marital status, sexual orientation, gender reassignment, age or disability.

We apply employment policies that are fair, equitable and consistent with the skills and abilities of our employees and the needs of the business. The directors ensure that all of these policies are monitored to ensure compliance with current legislation and best practice.

CUSTOMERS
The directors have grown the business based on the over riding principle of putting our customers first and ensuring that we continue to provide them with the highest quality service.

The attainment of service level targets is at the heart of our business and is critical to our success and we continually engage with our customers to understand their needs and monitor our performance.

The directors adopt a "hands-on" approach and engage with customers regularly.

They firmly believe it is this, customer feedback and our response to it that is essential to foster and maintain strong working relationships.

SUPPLIERS
Our business is supported by a large number of suppliers who play a vital part in enabling us to provide our services to our customers.

When dealing with these suppliers the company seeks to act ethically, fairly and transparently and looks to create effective longstanding relationships that are mutually beneficial.

Engagement with suppliers ensures we purchase products and services from those who operate responsibly in line with our own standards.

The group seeks to maintain relationships with its suppliers by contracting on standard business terms and by paying them properly within these terms.

ENVIRONMENT
The directors are mindful of the potential impact of its operations on the environment.

The company is committed to preventing pollution and minimising such impact. We regard the conservation of energy, raw materials and water and the reduction of waste to be high priority and the company undertakes to encourage sound environmental practices that support the business.

CONDUCT
The directors recognise the importance of maintaining high standards of business conduct and the group operates appropriate policies on business ethics providing mechanisms for whistle blowing and complaints which all employees are made aware of.

The group was founded by Huw Owen (MBE) over 40 years ago. The shareholders are all members of the Owens' family and the company is operated on long established family values and it is these values that have been the foundation of the company's and the Group's success.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2021

GOING CONCERN
The group's business activities, together with details of its performance during the year and future developments, are set out in the Strategic Report. The group had net assets at 30th June 2021 of £21,639,235 (2020: £12,615,842) and net current liabilities at 30th June 2021 of £4,596,640 (2020: £3,979,774).

The group generated a profit before taxation of £4,668,140 for the year ended 30th June 2020 (2020: £2,645,176) and has continued to operate profitably subsequent to the year end. Owens (Road Services) Limited continues to provide funding to its wholly owned subsidiary company BTS Ltd to meet its working capital requirements and has confirmed that it will continue to provide funding to enable that company to meet its future working capital requirements.

The group also undertook a review of its extensive property portfolio at the year end undertaken by Lambert Smith Hampton details of which are shown in note 24 to the accounts. The net effect of the revaluation was to add £4,531,829 to the revaluation reserve.

After reviewing the group and company's forecasts and projections, including the impact of Covid-19, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future.

On this basis the financial statements have been prepared on a going concern basis.

STREAMLINED ENERGY AND CARBON REPORTING
Owens (Road Services) Limited are a 'large unquoted company' under the Streamlined Energy and Carbon Reporting regulations so must report annually on greenhouse gas emissions from Scope 1 and 2 Electricity, Gas and Transport. This is the first reporting year so no emissions from the previous years are available as a comparison.

Methodology
The reporting period is the most recent financial year 01/07/2020 to 30/06/2021. This report has been compiled in line with the March 2019 BEIS 'Environmental Reporting Guideline: Including streamlined energy and carbon reporting guidance', and the EMA methodology for SECR Reporting. All measured emissions from activities which the organisation has financial control over are included as required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, unless otherwise stated in the the exclusions statement.

The carbon figures have been calculated using the BEIS 2020 carbon conversion factors for all fuels.

UK Carbon Footprint Data 2019-20

Scope	**Description**	**Specific fuels**	**tCO2e**
Scope 1	Combustion of fuel on site and transportation	On site: Natural Gas, Gas Oil, Propane.Transport: Diesel, Electric vehicles	42,779
Scope 2	Purchased energy	Electricity	640
Scope 3	Indirect Emissions	N/A	0
Total		Location based	43,419
Total intensity Ratio	tCO2e / £1m Turnover	Location based	458.49
Energy Usage	Total kWh consumed	Electricity, Natural Gas, LPGI, Red Diesel, Diesel	183,821,144

Emissions Detail by Fuel Type 2020-21

Electricity	1%
Natural Gas	0%
Propane	1%
Gas Oil	1%
Diesel	97%

Year on Year Emissions Changes

- Owens Group's emissions increased from 43,360 tC02e in 2019/20 to 43,419 tCO2e in 2020/21. The emissions increase has been attributed to Owens Group's purchase of two new sites during the last financial year. Additionally, the warehouse and office in Bynea were sparsely used in the previous reporting period - this site is now fully operational.
- Diesel emissions reduced from 42,155 tCO2e to 41,969 tCO2e. Diesel emissions have contributed to make up 97% of Owens Group's emissions reported under SECR.
- Scope 2 electricity consumption increased from 1,538,051 kWh in 2019/20 to 3,013,073 kWh in 2020/21. This was due to two new sites becoming operational, as well as increased activity at Bynea. This resulted in scope 2 emissions increasing from 359 tCO2e to 640 tCO2e.
- Natural gas consumption decreased from 455,127 kWh to 339,693 kWh. This resulted in an emissions decrease associated with natural gas, from 84tCO2e to 62tCO2e.
- Scope 1 Gas Oil emissions have held at 277 tCO2e. Whilst Propane emissions decreased from 487 tCO2e in 2019/20 to 470 tCO2e in 2020/21.

Energy Efficiency Actions taken

- LED's were installed to replace existing lightening systems at the Bridgend Waterton Office, Stradley Business Park Warehouses, Bynea Office, outdoor lighting at Dafen HQ and the Newport Stores and workshop.
- The gas boiler at the Bynea office was replaced with a more modern and efficient boiler.
- 3 electric vehicles were purchased for 2 directors and the group fleet manager.

DISCLOSURE IN THE STRATEGIC REPORT

The group has chosen in accordance with s414C(11) of the Companies Act 2006 to set out in the group's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the director's report. It has done so in respect of future developments and financial risk management.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2021

AUDITORS
The auditors, Bevan Buckland LLP, will be proposed for re-appointment.

ON BEHALF OF THE BOARD:

R I Owen - Director

16 December 2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF OWENS (ROAD SERVICES) LIMITED

Opinion
We have audited the financial statements of Owens (Road Services) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2021 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, 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 parent company's affairs as at 30 June 2018 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the 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 and 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 directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors 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 Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page ten, 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 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.

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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then, design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We discussed our audit independence complying with the Revised Ethical Standard 2019 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- enquiring of management, including obtaining and reviewing support documentation, concerning the company's policies and procedures relating to:
  - identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud.
- obtaining an understanding of the legal and regulatory frameworks that the company operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the company, The key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC;
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- 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.

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. This description forms part of our Report of the Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF OWENS (ROAD SERVICES) LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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.

Alison Vickers (Senior Statutory Auditor)
for and on behalf of Bevan Buckland LLP
Chartered Accountants
And Statutory Auditors
Ground Floor Cardigan House
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16 December 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 £	2020 £
TURNOVER	3	94,954,123	86,868,986
Cost of sales		78,117,439	73,114,737
GROSS PROFIT		16,836,684	13,754,249
Administrative expenses		13,015,744	10,921,947
		3,820,940	2,832,302
Other operating income	4	3,054,856	724,850
OPERATING PROFIT	6	6,875,796	3,557,152
Interest receivable and similar income		126	9,430
		6,875,922	3,566,582
Interest payable and similar expenses	7	722,180	921,406
PROFIT BEFORE TAXATION		6,153,742	2,645,176
Tax on profit	8	1,485,602	475,219
PROFIT FOR THE FINANCIAL YEAR		4,668,140	2,169,957
OTHER COMPREHENSIVE INCOME			
Revaluation of freehold property		5,095,525	-
Income tax relating to other comprehensive income		(563,696)	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		4,531,829	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		9,199,969	2,169,957
Profit attributable to:			
Owners of the parent		4,668,140	2,169,957
Total comprehensive income attributable to:			
Owners of the parent		9,199,969	2,169,957

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 JUNE 2021

	Notes	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Intangible assets	11		1,331,054		505,783
Tangible assets	12		32,552,426		25,922,045
Investments	13		110,000		-
Investment property	14		7,467,938		4,650,000
			41,461,418		31,077,828
CURRENT ASSETS					
Stocks	15	531,557		388,025	
Debtors	16	21,369,523		18,298,628	
Cash at bank and in hand		2,602,322		2,437,432	
		24,503,402		21,124,085	
CREDITORS					
Amounts falling due within one year	17	29,100,042		25,103,859	
NET CURRENT LIABILITIES			(4,596,640)		(3,979,774)
TOTAL ASSETS LESS CURRENT LIABILITIES			36,864,778		27,098,054
CREDITORS					
Amounts falling due after more than one year	18		(12,791,770)		(14,125,629)
PROVISIONS FOR LIABILITIES	22		(2,433,773)		(356,583)
NET ASSETS			21,639,235		12,615,842
CAPITAL AND RESERVES					
Called up share capital	23		100		100
Revaluation reserve	24		5,494,211		962,382
Retained earnings	24		16,144,924		11,653,360
SHAREHOLDERS' FUNDS			21,639,235		12,615,842

The financial statements were approved by the Board of Directors and authorised for issue on 16 December 2021 and were signed on its behalf by:

T H Owen - Director

The notes form part of these financial statements

OWENS (ROAD SERVICES) LIMITED (REGISTERED NUMBER: 01301976)

COMPANY STATEMENT OF FINANCIAL POSITION
30 JUNE 2021

	Notes	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Intangible assets	11		1,362		6,562
Tangible assets	12		29,590,869		21,851,265
Investments	13		1,418,942		85,759
Investment property	14		-		-
			31,011,173		21,943,586
CURRENT ASSETS					
Stocks	15	480,994		349,171	
Debtors	16	23,812,927		20,267,761	
Cash at bank and in hand		562,499		2,407,202	
		24,856,420		23,024,134	
CREDITORS					
Amounts falling due within one year	17	26,469,416		22,625,430	
NET CURRENT (LIABILITIES)/ASSETS			(1,612,996)		398,704
TOTAL ASSETS LESS CURRENT LIABILITIES			29,398,177		22,342,290
CREDITORS					
Amounts falling due after more than one year	18		(10,654,801)		(11,054,886)
PROVISIONS FOR LIABILITIES	22		(1,949,136)		(371,775)
NET ASSETS			16,794,240		10,915,629
CAPITAL AND RESERVES					
Called up share capital	23		100		100
Revaluation reserve	24		5,494,211		962,382
Retained earnings	24		11,299,929		9,953,147
SHAREHOLDERS' FUNDS			16,794,240		10,915,629
Company's profit for the financial year			1,523,358		1,281,745

The financial statements were approved by the Board of Directors and authorised for issue on 16 December 2021 and were signed on its behalf by:

T H Owen - Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 July 2019	100	9,913,191	964,654	10,877,945
Changes in equity				
Dividends	-	(432,060)	-	(432,060)
Total comprehensive income	-	2,172,229	(2,272)	2,169,957
Balance at 30 June 2020	100	11,653,360	962,382	12,615,842
Changes in equity				
Dividends	-	(176,576)	-	(176,576)
Total comprehensive income	-	4,668,140	4,531,829	9,199,969
Balance at 30 June 2021	100	16,144,924	5,494,211	21,639,235

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 July 2019	100	9,101,190	964,654	10,065,944
Changes in equity				
Dividends	-	(432,060)	-	(432,060)
Total comprehensive income	-	1,284,017	(2,272)	1,281,745
Balance at 30 June 2020	100	9,953,147	962,382	10,915,629
Changes in equity				
Dividends	-	(176,576)	-	(176,576)
Total comprehensive income	-	1,523,358	4,531,829	6,055,187
Balance at 30 June 2021	100	11,299,929	5,494,211	16,794,240

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	11,270,563	7,256,717
Interest paid		(330,190)	(451,839)
Interest element of hire purchase payments paid		(391,990)	(469,567)
Tax paid		(364,893)	(355,848)
Net cash from operating activities		10,183,490	5,979,463
Cash flows from investing activities			
Purchase of tangible fixed assets		(6,063,927)	(5,160,621)
Purchase of investment property		(267,938)	-
Sale of tangible fixed assets		141,777	179,185
Acquisition of subsidiary		(1,333,182)	-
Cash acquired on acquisition		404,434	-
Interest received		126	9,430
Net cash from investing activities		(7,118,710)	(4,972,006)
Cash flows from financing activities			
New loans in year		-	2,705,000
Bank loan repayments in year		(1,070,604)	(530,088)
New HPs in the year		2,949,866	1,697,578
HP capital repayments in year		(4,378,417)	(3,887,755)
Amount withdrawn by directors		(445,949)	(548)
Equity dividends paid		(176,576)	(432,060)
Net cash from financing activities		(3,121,680)	(447,873)
(Decrease)/increase in cash and cash equivalents		(56,900)	559,584
Cash and cash equivalents at beginning of year	2	2,437,432	1,877,848
Cash and cash equivalents at end of year	2	2,380,532	2,437,432

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2021	2020
	£	£
Profit before taxation	6,153,742	2,645,176
Depreciation charges	4,668,384	4,794,526
Loss on disposal of fixed assets	12,181	34,505
Gain on revaluation of fixed assets	(2,550,000)	-
Finance costs	722,180	921,406
Finance income	(126)	(9,430)
	9,006,361	8,386,183
Increase in stocks	(143,532)	(106,488)
(Increase)/decrease in trade and other debtors	(2,020,482)	2,174,861
Increase/(decrease) in trade and other creditors	4,428,216	(3,197,839)
Cash generated from operations	11,270,563	7,256,717

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 30 June 2021

	30.6.21	1.7.20
	£	£
Cash and cash equivalents	2,602,322	2,437,432
Bank overdrafts	(221,790)	-
	2,380,532	2,437,432

Year ended 30 June 2020

	30.6.20	1.7.19
	£	£
Cash and cash equivalents	2,437,432	1,877,848

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.7.20	Cash flow	Acquisition of subsidiary	At 30.6.21
	£	£	£	£
Net cash				
Cash at bank and in hand	2,437,432	(239,544)	404,434	2,602,322
Bank overdrafts	-	(221,790)	-	(221,790)
	2,437,432	(461,334)	404,434	2,380,532
Debt				
Finance leases	(13,662,502)	1,428,551	(39,457)	(12,273,408)
Debts falling due within 1 year	(1,065,645)	287,722	-	(777,923)
Debts falling due after 1 year	(4,819,774)	782,882	(100,000)	(4,136,892)
	(19,547,921)	2,499,155	(139,457)	(17,188,223)
Total	(17,110,489)	2,037,821	264,977	(14,807,691)

4. ACQUISITION OF BUSINESS

On acquisition the group acquired:

	£
Fixed Assets	259,807
Stocks	-
Trade and other debtors	559,141
Cash	404,434
Trade and other creditors	(719,474)
Loans	(100,000)
Hire Purchase Agreements	(39,457)
Net assets acquired	364,451
Goodwill	968,731
Cash consideration	1,333,182

1. STATUTORY INFORMATION

Owens (Road Services) Limited is a private company, limited by shares , registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention and modified by the revaluation of certain assets.

Basis of consolidation
The consolidated financial statements include the company and its subsidiary undertakings and have been prepared using the acquisition method of accounting.

The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting period as the parent company and are based on consistent accounting policies. The results of subsidiaries acquired or disposed of during the period are included in the consolidated financial statements from the effective date of acquisition up to the effective date of disposal, as appropriate.

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Related party exemption
The company has taken advantage of the exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

continued...

2. **ACCOUNTING POLICIES - continued**

Critical accounting judgements and key sources of estimation uncertainty
The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results in the future may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant management judgements
The following are management judgements in applying the accounting policies of the Group that have the most significant effect on the amounts recognised in the financial statements.

Useful life of assets
Tangible fixed assets, other than investment properties, are depreciated over their useful economic lives based on various internal and external factors. The actual lives of the assets are re-assessed on a periodic basis and may vary depending on the standard of the asset. The board periodically review the major classes of assets to ensure that the periods over which they are depreciated is appropriate.

Provisions and accruals
Management bases its judgements on the circumstances relating to each specific event and upon currently available information. However, given the inherent difficulties in the estimation of liabilities in these areas, it cannot be guaranteed that additional costs will not be incurred beyond the amounts accrued.

Revenue
Revenue represents net invoiced sales of goods and services, excluding value added tax. Transport sales are recognised on delivery of goods.

Rental income arising from leases on investment properties is accounted for on a straight line basis over the lease term. Warehousing income is recognised over the period of occupancy and income invoiced in advance is deferred until the period of occupancy.

Interest received is recognised on receipt.

Grant income
Government grants are recorded initially as deferred income and recognised in the income statement in line with the expense to which they contribute. For grants in respect of the purchase of property, plant and equipment, the deferred income is released over the life of the related assets. For grants in respect of staff costs, the deferred income is released over the monitoring period of the grant offer.

Goodwill
Goodwill arising on consolidation represents the excess of the cost of acquisition over the group's interest in the fair value of the identifiable assets and liabilities, including separately identifiable intangible assets, of its subsidiary undertaking at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is being amortised evenly over 6 years.

continued...

2. ACCOUNTING POLICIES - continued

Computer software
Computer software is measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged as to allocate the cost of computer software less their residual values over their estimated useful lives. Computer software is written off straight line over 4 years.

If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

continued...

2. ACCOUNTING POLICIES - continued

Property, plant & equipment
All property, plant and equipment, other than Freehold property, use the cost model and are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Cost comprises the purchase price of the asset and expenditure directly attributable to the acquisition of the item. On transition to FRS 102 the group measured revalued assets at deemed cost.

During the year the revaluation model was adopted for Freehold property. As a result Freehold property is carried at the revalued amount, being its fair value at the date of revaluation less any subsequent accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

As a result of this change, a gross revaluation gain of £5,095,525 and deferred tax charge of £563,696 has been recognised in other comprehensive income.

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is shorter.

Freehold property	-	Straight line up to 50 years and nil on land
Long leasehold	-	Over the term of the lease and in accordance with the property lease
Plant and machinery	-	Straight line up to 5 years
Trailers	-	Straight line up to 10 years
Motor vehicles	-	Straight line up to 10 years

If there is an indication that there has been a significant change in the depreciation rate or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

Freehold land is not depreciated.

A fixed asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the income statement.

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Impairment of fixed assets
The group performs impairment testing where there are any indicators of impairment. Impairment is calculated as the difference between the carrying value and the recoverable value of the asset. Recoverable value is the higher of net realisable value and estimated value in use at the date the impairment loss is recognised. Value in use represents the present value of expected future discounted cash flows. If incurred, impairment is recognised immediately in the income statement.

Where an impairment loss subsequently reverses, the carrying value of the asset is increased to the revised estimate of the recoverable amount, but so that the increased carrying value does not exceed the carrying value that would have been determined if no impairment loss had been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately as a credit to the income statement.

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2. ACCOUNTING POLICIES - continued

Investment property
Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the statement of comprehensive income. Deferred tax is provided against these gains at the rate expected to apply when the property is sold. The treatment is in line with the fair value provisions of the Companies Act.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Investment properties are reclassified as 'held for sale' assets from commencement of marketing for disposal, provided that the directors have reasonable expectation that they will be sold within a period of 12 months.

Inventories
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Stocks are measured using the first in first out method.

continued...

2. ACCOUNTING POLICIES - continued

Financial instruments

The group enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other receivables and payables, amounts due to and from related parties.

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Debt instruments like loans and other receivables and payables are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss. For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying value and the present value of estimated cash flows discounted at the assets original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the 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 recognised in the balance sheet 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. At each reporting date non-financial assets not carried at fair value, such as property, plant and equipment are reviewed to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any asset or group of related assets, which is the higher of value in use and the fair value less costs to sell, is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset or group of related assets is increased to the revised estimate of its recoverable amount, but not to exceed the amount that would have been determined had no impairment loss been recognised for the asset or group of related assets in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

continued...

2. **ACCOUNTING POLICIES - continued**

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

Pension costs and other post-retirement benefits

The group operates defined contribution pension schemes. Contributions payable to the group's pension schemes are charged to profit or loss in the period in which they relate.

Employee Benefits

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

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

Fixed asset investments

Fixed asset investments are valued at fair value unless fair value cannot be measured reliably, in which case investments are valued at cost less impairment.

continued...

2. ACCOUNTING POLICIES - continued

Trade debtors
Short term trade debtors are measured at transaction price, less any impairment. A provision for impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due.

The company has entered into a Sales Financing Agreement with Lloyds TSB Commercial Finance Ltd with recourse, for its trade debtors. In line with FRS 102 section 2, Concepts and Pervasive Principles, the company has reflected this by disclosing both the gross trade debtors and the corresponding liability to the finance company.

Creditors
Short term creditors are measured at the transaction price. Bank loans are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Provisions for liabilities
Provisions are recognised when the company has a present obligation (legal or constructive) from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Functional and Presentation Currency
The group's functional and presentational currency is pounds sterling.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

	2021	2020
	£	£
Transport & distribution	83,105,309	77,709,399
Warehousing/rental	10,649,459	8,482,589
Servicing & testing	572,464	376,750
Other	626,891	300,248
	94,954,123	86,868,986

4. OTHER OPERATING INCOME

	2021	2020
	£	£
Sundry receipts	14,023	-
Management charges	42,600	42,150
Insurance recharge	46,408	46,407
Government grants	401,825	636,293
Gain/loss on revaluation of assets	2,550,000	-
	3,054,856	724,850

Government grants represent grants in relation to the Coronavirus Job Retention Scheme.

continued...

5. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	25,932,524	26,493,917
Social security costs	2,427,352	2,426,978
Other pension costs	504,010	639,719
	28,863,886	29,560,614

The average number of employees during the year was as follows:

	2021	2020
Drivers and fitters	615	691
Managers and administration staff	168	173
Warehouse	94	80
	877	944

The group operates defined contribution pension schemes. The assets of the schemes are held separately from those of the group in an independently administered fund.

Contributions of £115,194 were outstanding at the year end (2020: £90,229).

	2021	2020
	£	£
Directors' remuneration	217,524	217,524

Information regarding the highest paid director is as follows:

	2021	2020
	£	£
Emoluments etc	120,000	120,000

6. OPERATING PROFIT

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

	2021	2020
	£	£
Hire of plant and machinery	485,809	3,971,897
Depreciation - owned assets	851,297	1,033,906
Depreciation - assets on hire purchase contracts	3,673,625	3,624,886
Loss on disposal of fixed assets	12,181	34,505
Goodwill amortisation	138,261	124,811
Computer software amortisation	5,200	10,921
Auditors' remuneration	39,700	40,101
Auditors' remuneration for taxation services	3,090	2,400
Auditors' remuneration for other non-audit work	10,530	6,510
Investment property - rents receivable	(536,053)	(522,756)
Coronavirus Job Retention Scheme	(401,825)	(636,293)

The auditors have also provided separate non-audit services to Owens Pension Scheme Accounts during the period.

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7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Bank interest	-	55
Bank loan interest and charges	175,184	151,463
Invoice discounting expenses	146,582	287,738
Other interest	8,424	12,583
Hire purchase	391,990	469,567
	722,180	921,406

8. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2021	2020
	£	£
Current tax:		
UK corporation tax	(1,146)	470,889
Losses carried back	-	393
Total current tax	(1,146)	471,282
Deferred tax	1,486,748	3,937
Tax on profit	1,485,602	475,219

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	£	£
Profit before tax	6,153,742	2,645,176
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2020 - 19 %)	1,169,211	502,583
Effects of:		
Expenses not deductible for tax purposes	16,709	4,720
Income not taxable for tax purposes	(560,500)	-
Capital allowances in excess of depreciation	(727,144)	-
Utilisation of tax losses	-	(109,852)
Adjustments to tax charge in respect of previous periods	(7,947)	-
Depreciation and profit on sale of assets in excess of capital allowances	-	82,158
Adjustment to previous years tax computations	-	(7,140)
Interest on tax	-	(1,187)
Deferred tax movement	1,486,748	3,937
Tax losses carried forward	108,525	-
Total tax charge	1,485,602	475,219

continued...

8. TAXATION - continued

Tax effects relating to effects of other comprehensive income

	2021		
	Gross	Tax	Net
	£	£	£
Revaluation of freehold property	5,095,525	(563,696)	4,531,829

Factors that may affect future current and total tax charges
The deferred tax assets/liabilities at 30 June 2021 have been calculated at the rate of 25% (2020: 19%).

9. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

10. DIVIDENDS

	2021	2020
	£	£
Ordinary shares of £1 each		
Interim	176,576	432,060

11. INTANGIBLE FIXED ASSETS

Group

	Goodwill	Computer software	Totals
	£	£	£
COST			
At 1 July 2020	767,364	176,573	943,937
Additions	968,732	-	968,732
At 30 June 2021	1,736,096	176,573	1,912,669
AMORTISATION			
At 1 July 2020	268,143	170,011	438,154
Amortisation for year	138,261	5,200	143,461
At 30 June 2021	406,404	175,211	581,615
NET BOOK VALUE			
At 30 June 2021	1,329,692	1,362	1,331,054
At 30 June 2020	499,221	6,562	505,783

Goodwill has arisen on consolidation.

continued...

11. INTANGIBLE FIXED ASSETS - continued

Company

	Computer software £
COST	
At 1 July 2020 and 30 June 2021	176,573
AMORTISATION	
At 1 July 2020	170,011
Amortisation for year	5,200
At 30 June 2021	175,211
NET BOOK VALUE	
At 30 June 2021	1,362
At 30 June 2020	6,562

12. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Long leasehold £	Plant and machinery £
COST OR VALUATION			
At 1 July 2020	8,384,450	727,620	2,018,405
Additions	39,732	114,789	1,166,843
Disposals	-	-	-
Revaluations	4,646,842	-	-
Reclassification/transfer	-	-	(5,454)
At 30 June 2021	13,071,024	842,409	3,179,794
DEPRECIATION			
At 1 July 2020	371,438	379,759	1,701,718
Charge for year	92,487	67,839	160,502
Eliminated on disposal	-	-	-
Revaluation adjustments	(448,683)	-	-
Reclassification/transfer	-	-	(5,454)
At 30 June 2021	15,242	447,598	1,856,766
NET BOOK VALUE			
At 30 June 2021	13,055,782	394,811	1,323,028
At 30 June 2020	8,013,012	347,861	316,687

continued...

12. **TANGIBLE FIXED ASSETS - continued**

Group

	Trailers	Motor vehicles	Totals
	£	£	£
COST OR VALUATION			
At 1 July 2020	14,096,300	16,212,565	41,439,340
Additions	1,404,110	3,488,262	6,213,736
Disposals	(333,015)	(854,340)	(1,187,355)
Revaluations	-	-	4,646,842
Reclassification/transfer	150,734	56,550	201,830
At 30 June 2021	15,318,129	18,903,037	51,314,393
DEPRECIATION			
At 1 July 2020	5,059,163	8,005,217	15,517,295
Charge for year	1,273,169	2,930,925	4,524,922
Eliminated on disposal	(263,329)	(770,068)	(1,033,397)
Revaluation adjustments	-	-	(448,683)
Reclassification/transfer	150,734	56,550	201,830
At 30 June 2021	6,219,737	10,222,624	18,761,967
NET BOOK VALUE			
At 30 June 2021	9,098,392	8,680,413	32,552,426
At 30 June 2020	9,037,137	8,207,348	25,922,045

Included in cost or valuation of land and buildings is freehold land of £6,309,063 (2020 - £3,877,500) which is not depreciated.

Cost or valuation at 30 June 2021 is represented by:

	Freehold property	Long leasehold	Plant and machinery
	£	£	£
Valuation in 2021	4,646,842	-	-
Cost	8,424,182	842,409	3,179,794
	13,071,024	842,409	3,179,794

	Trailers	Motor vehicles	Totals
	£	£	£
Valuation in 2021	-	-	4,646,842
Cost	15,318,129	18,903,037	46,667,551
	15,318,129	18,903,037	51,314,393

continued...

12. TANGIBLE FIXED ASSETS - continued

Group

Freehold property was valued on 3 November 2021 by an external valuer M V Jones MRICS of Lambert Smith Hampton.

The valuation was prepared on the basis of market value as defined in the Royal Institution of Chartered Surveyors Valuation - Professional Standards UK January 2014 (revised April 2015).

Significant assumptions used in preparing the valuation were:
- It has been assumed a fire risk assessment and asbestos report has been undertaken.

The directors consider the valuation at this date to not materially differ to the year end value.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery	Trailers	Motor vehicles	Totals
	£	£	£	£
COST OR VALUATION				
At 1 July 2020	-	10,831,981	12,527,690	23,359,671
Additions	967,311	177,000	2,800,824	3,945,135
Disposals	-	-	(149,850)	(149,850)
Transfer to ownership	-	(601,818)	(3,779,659)	(4,381,477)
Reclassification/transfer	-	-	56,550	56,550
At 30 June 2021	967,311	10,407,163	11,455,555	22,830,029
DEPRECIATION				
At 1 July 2020	-	2,344,002	5,085,014	7,429,016
Charge for year	32,058	1,083,665	2,557,902	3,673,625
Eliminated on disposal	-	-	(108,818)	(108,818)
Transfer to ownership	-	(340,124)	(2,940,737)	(3,280,861)
Reclassification/transfer	-	-	56,550	56,550
At 30 June 2021	32,058	3,087,543	4,649,911	7,769,512
NET BOOK VALUE				
At 30 June 2021	935,253	7,319,620	6,805,644	15,060,517
At 30 June 2020	-	8,487,979	7,442,676	15,930,655

continued...

12. TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £	Long leasehold £	Plant and machinery £
COST OR VALUATION			
At 1 July 2020	8,384,450	603,661	1,962,827
Additions	39,732	104,914	1,124,127
Disposals	-	-	-
Revaluations	4,646,842	-	-
At 30 June 2021	13,071,024	708,575	3,086,954
DEPRECIATION			
At 1 July 2020	371,438	315,424	1,679,509
Charge for year	92,487	52,391	145,562
Eliminated on disposal	-	-	-
Revaluation adjustments	(448,683)	-	-
At 30 June 2021	15,242	367,815	1,825,071
NET BOOK VALUE			
At 30 June 2021	13,055,782	340,760	1,261,883
At 30 June 2020	8,013,012	288,237	283,318

	Trailers £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 July 2020	12,129,334	11,866,366	34,946,638
Additions	1,404,110	3,352,834	6,025,717
Disposals	(328,015)	(854,340)	(1,182,355)
Revaluations	-	-	4,646,842
At 30 June 2021	13,205,429	14,364,860	44,436,842
DEPRECIATION			
At 1 July 2020	4,731,426	5,997,576	13,095,373
Charge for year	1,032,743	1,905,445	3,228,628
Eliminated on disposal	(259,277)	(770,068)	(1,029,345)
Revaluation adjustments	-	-	(448,683)
At 30 June 2021	5,504,892	7,132,953	14,845,973
NET BOOK VALUE			
At 30 June 2021	7,700,537	7,231,907	29,590,869
At 30 June 2020	7,397,908	5,868,790	21,851,265

Included in cost or valuation of land and buildings is freehold land of £ 6,309,063 (2020 - £ 3,877,500) which is not depreciated.

continued...

12. **TANGIBLE FIXED ASSETS - continued**

Company

Cost or valuation at 30 June 2021 is represented by:

	Freehold property £	Long leasehold £	Plant and machinery £
Valuation in 2021	4,646,842	-	-
Cost	8,424,182	708,575	3,086,954
	13,071,024	708,575	3,086,954

	Trailers £	Motor vehicles £	Totals £
Valuation in 2021	-	-	4,646,842
Cost	13,205,429	14,364,860	39,790,000
	13,205,429	14,364,860	44,436,842

Freehold property was valued on 3 November 2021 by an external valuer M V Jones MRICS of Lambert Smith Hampton.

The valuation was prepared on the basis of market value as defined in the Royal Institution of Chartered Surveyors Valuation - Professional Standards UK January 2014 (revised April 2015).

Significant assumptions used in preparing the valuation were:
- It has been assumed a fire risk assessment and asbestos report has been undertaken.

The directors consider the valuation at this date to not materially differ to the year end value.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Trailers £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 July 2020	-	8,798,906	8,136,753	16,935,659
Additions	967,311	177,000	2,716,420	3,860,731
Disposals	-	-	(149,850)	(149,850)
Transfer to ownership	-	(601,818)	(950,044)	(1,551,862)
At 30 June 2021	967,311	8,374,088	9,753,279	19,094,678
DEPRECIATION				
At 1 July 2020	-	1,914,653	3,027,970	4,942,623
Charge for year	32,058	870,858	1,536,317	2,439,233
Eliminated on disposal	-	-	(108,818)	(108,818)
Transfer to ownership	-	(340,124)	(801,118)	(1,141,242)
At 30 June 2021	32,058	2,445,387	3,654,351	6,131,796
NET BOOK VALUE				
At 30 June 2021	935,253	5,928,701	6,098,928	12,962,882
At 30 June 2020	-	6,884,253	5,108,783	11,993,036

continued...

13. FIXED ASSET INVESTMENTS

Group

	Unlisted investments £
COST	
Additions	110,000
At 30 June 2021	110,000
NET BOOK VALUE	
At 30 June 2021	110,000

Company

	Shares in group undertakings £
COST	
At 1 July 2020	85,759
Additions	1,333,183
At 30 June 2021	1,418,942
NET BOOK VALUE	
At 30 June 2021	1,418,942
At 30 June 2020	85,759

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

ORS Contract Management Limited
Registered office: Dafen Industrial Estate, Dafen, Llanelli, SA14 8QE.
Nature of business: Investment Property

Class of shares:	% holding
Ordinary	100.00

	2021 £	2020 £
Aggregate capital and reserves	4,176,308	1,748,316
Profit for the year	2,427,992	373,416

ORS (HD) Limited
Registered office: Dafen Industrial Estate, Dafen, Llanelli, SA14 8QE.
Nature of business: Delivery

Class of shares:	% holding
Ordinary	100.00

	2021 £	2020 £
Aggregate capital and reserves	975,341	598,715
Profit for the year	376,626	303,631

continued...

13. FIXED ASSET INVESTMENTS - continued

B.T.S. Haulage Limited
Registered office: Dafen Industrial Estate, Dafen, Llanelli, SA14 8QE.
Nature of business: Haulage

	%
Class of shares:	holding
Ordinary	100.00

	2021	2020
	£	£
Aggregate capital and reserves	(593,323)	(1,060,283)
Profit for the year	466,960	335,974

Celtic Couriers Holdings Limited
Registered office: Dafen Industrial Estate, Dafen, Llanelli, SA14 8QE.
Nature of business: Holding company

	%
Class of shares:	holding
Ordinary	100.00

Celtic Couriers Limited
Registered office: Dafen Industrial Estate, Dafen, Llanelli, SA14 8QE.
Nature of business: Delivery

	%
Class of shares:	holding
Ordinary	100.00

14. INVESTMENT PROPERTY

Group

	Total
	£
FAIR VALUE	
At 1 July 2020	4,650,000
Additions	267,938
Revaluations	2,550,000
At 30 June 2021	7,467,938
NET BOOK VALUE	
At 30 June 2021	7,467,938
At 30 June 2020	4,650,000

continued...

14. INVESTMENT PROPERTY - continued

Group

Previously owned investment property was valued on 3 November 2021 by an external valuer M V Jones MRICS of Lambert Smith Hampton.

The valuation was prepared on the basis of market value as defined in the Royal Institution of Chartered Surveyors Valuation - Professional Standards UK January 2014 (revised April 2015).

Significant assumptions used in preparing the valuation were:
- Th building has a remaining economic life of at least 30 years, provided an adequate and suitable programme of maintenance and repair is followed.
- It has been assumed a fire risk assessment and asbestos report has been undertaken.

Investment property acquired in the year is shown at cost which is considered to be its most recent valuation by the directors and represents the fair value of the property.

The directors consider the valuations at this date to not materially differ to the year end value.

15. STOCKS

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Consumables	531,557	388,025	480,994	349,171

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	18,931,308	16,594,602	17,455,015	16,026,174
Amounts owed by group undertakings	-	-	3,613,702	2,582,880
Amounts owed by related company	320,462	111,164	651,488	178,522
Other debtors	403,558	399,744	294,686	377,993
Directors' current accounts	846,497	400,548	846,497	400,548
Tax	53,668	-	226,396	-
Prepayments and accrued income	814,030	792,570	725,143	701,644
	21,369,523	18,298,628	23,812,927	20,267,761

Included within debtors are amounts repayable on demand from ORS Contract Management Limited and B.T.S. Haulage Limited, subsidiary companies, and Dafen Service Station Limited, a related company. Though repayable on demand the amounts are not expected to be recovered in less than one year.

Amounts owed by related company are owed by Dafen Service Station Limited. This is a company under common control. Directors of the company are T H Owen, E W Owen and Mrs C L Owen.

The company has entered into a Sales Financing Agreement with Lloyds TSB Commercial Finance Ltd with recourse, for its trade debtors. In line with FRS 102 section 2, Concepts and Pervasive Principles, the company has reflected this by disclosing both the gross trade debtors and the corresponding liability to the finance company.

continued...

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans and overdrafts (see note 19)	999,713	1,065,645	560,363	661,336
Hire purchase contracts (see note 20)	4,296,779	4,356,647	3,623,722	3,056,411
Trade creditors	7,835,370	5,487,784	7,107,005	5,270,474
Amounts owed to group undertakings	-	-	93	699,125
Corporation taxation	-	209,456	-	48,236
Social security and other taxes	646,098	914,684	564,543	827,912
VAT	1,515,301	2,526,910	1,521,802	2,386,573
Other creditors	536,875	173,562	327,888	79,880
Sales ledger financing	8,080,931	6,825,465	7,973,762	6,710,019
Deferred income	674,728	593,455	550,386	469,113
Accrued expenses	4,514,247	2,950,251	4,239,852	2,416,351
	29,100,042	25,103,859	26,469,416	22,625,430

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans (see note 19)	4,136,892	4,819,774	3,194,421	3,535,618
Hire purchase contracts (see note 20)	7,976,629	9,305,855	6,782,131	7,519,268
Accruals and deferred income	678,249	-	678,249	-
	12,791,770	14,125,629	10,654,801	11,054,886

19. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	221,790	-	221,790	-
Bank loans	777,923	1,065,645	338,573	661,336
	999,713	1,065,645	560,363	661,336
Amounts falling due between one and two years:				
Bank loans - 1-2 years	801,555	757,832	349,782	340,096
Amounts falling due between two and five years:				
Bank loans - 2-5 years	3,335,337	4,061,942	2,844,639	3,195,522

continued...

19. LOANS - continued

The company has a loan facility from Santander renegotiated in September 2018 to continue the loan over the original term profile with a fixed interest rate of 1.556% and a margin rate of 1.75% applying to the loan facility. The company received no additional borrowings. Repayments will be made monthly until September 2023 where the loan will be reviewable with a bullet payment of £551,707 being payable if terminated.

The company has a further loan facility from Santander which is due for renewal in December 2020 or a bullet repayment of £358,479 being payable if terminated. A fixed interest rate of 1.65% and a margin rate of 2.25% applies to the loan facility.

During the 2020 financial year the company negotiated terms with Santander to obtain new loan facility financing totalling £2,705,000, this was obtained at a fixed interest rate of 0.83% and a margin rate of 2.25% applying to the loan facility. Monthly repayments are to be made over 5 years with a bullet repayment of £2,030,642 being payable if terminated after 5 years.

The group has a further loan facility repaid in monthly installments and fully repaid in March 2024. The facility is subject to a fixed interest rate of 1.50% and a margin rate of 1.75%.

20. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2021	2020
	£	£
Gross obligations repayable:		
Within one year	4,579,468	4,693,048
Between one and five years	8,273,741	9,701,197
	12,853,209	14,394,245
Finance charges repayable:		
Within one year	282,689	336,401
Between one and five years	297,112	395,342
	579,801	731,743
Net obligations repayable:		
Within one year	4,296,779	4,356,647
Between one and five years	7,976,629	9,305,855
	12,273,408	13,662,502

continued...

20. LEASING AGREEMENTS - continued

Company

	Hire purchase contracts	
	2021	2020
	£	£
Gross obligations repayable:		
Within one year	3,834,919	3,276,252
Between one and five years	6,956,894	7,721,839
	10,791,813	10,998,091
Finance charges repayable:		
Within one year	211,197	219,841
Between one and five years	174,763	202,571
	385,960	422,412
Net obligations repayable:		
Within one year	3,623,722	3,056,411
Between one and five years	6,782,131	7,519,268
	10,405,853	10,575,679

Group

	Non-cancellable	operating leases
	2021	2020
	£	£
Within one year	4,136,464	3,418,536
Between one and five years	7,707,803	4,801,450
In more than five years	1,150,599	1,930,728
	12,994,866	10,150,714

Company

	Non-cancellable	operating leases
	2021	2020
	£	£
Within one year	4,136,464	3,418,536
Between one and five years	7,707,803	4,801,450
In more than five years	1,150,599	1,930,728
	12,994,866	10,150,714

Certain plant and machinery and motor vehicles are held under finance lease arrangements. The lease agreements generally include fixed lease payments and a purchase option at the end of the lease term.

continued...

21. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank overdraft	221,790	-	221,790	-
Bank loans	4,914,815	5,885,419	3,532,994	4,196,954
Hire purchase contracts	12,273,408	13,662,502	10,405,853	10,575,679
Sales ledger financing	8,080,931	6,825,465	7,973,762	6,710,019
	25,490,944	26,373,386	22,134,399	21,482,652

The group's banker Santander UK PLC holds the following security: -

Legal charge dated 12/09/13 over investment, freehold and leasehold property.

Debenture dated 12/09/13 securing by way of a fixed charge by way of legal mortgage, all right, title, estate and other interests of the Company on the property also by way of fixed charge the books debts.

A fixed charge dated 17/12/15 over freehold property.

A cross guarantee from ORS Contract Management Ltd, Dafen Service Station Ltd and Owens (Road Services) Limited in respect of their obligation to Santander UK PLC.

Fixed and floating charge dated 04/12/18 over all property, rental income, insurance policies, goodwill, book debts and uncalled capital of the company.

A Fixed charge and negative pledge dated 29/01/20 over land and freehold property.

The group's banker Lloyds TSB Bank Plc holds the following security: -

All assets debenture dated 25/06/12 securing all monies due and liabilities due to Lloyds TSB Commercial Finance Limited.

Omnibus guarantee and set-off agreement dated 16/08/12 securing all monies due and liabilities from either Owens (Road Services) Limited and Dafen Service Station Limited.

Debenture deed dated 16/08/12 securing all monies due and liabilities supported by legal charge over the freehold and leasehold property, all fixed plant and machinery and all books debts.

Fixed and floating charge dated 09/10/09 over the undertaking and all property and assets present and future, including goodwill, book debts, uncalled capital, buildings, fixtures, fixed plant & machinery securing all monies due.

Charge dated 07/04/11 over motor vehicles securing all monies due.

Fixed and floating charge dated 30/08/19 over all fixed assets.

The hire purchase liabilities are secured on the assets to which they relate.

22. PROVISIONS FOR LIABILITIES

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Deferred tax	2,433,773	356,583	1,949,136	371,775

continued...

22. PROVISIONS FOR LIABILITIES - continued

Group

	Deferred tax £
Balance at 1 July 2020	356,583
Charge to Statement of Comprehensive Income during year	2,050,443
Acquisition of subsidiary	26,747
Balance at 30 June 2021	2,433,773

Company

	Deferred tax £
Balance at 1 July 2020	371,775
Charge to Statement of Comprehensive Income during year	1,577,361
Balance at 30 June 2021	1,949,136

Deferred tax assets and liabilities are offset where the group and company has a legally enforceable right to do so. The following analysis is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group

Balances:	**2021 Net Liability £**	**2020 Net Liability £**
ACAs	1,406,086	451,951
Revaluations	1,170,356	-
Tax losses	(113,870)	(2,225)
Other timing differences	(28,799)	(93,143)
	2,433,773	356,583

No tax liability would arise if properties were sold at their revalued amount.

Company

Balances:	**2021 Net Liability £**	**2020 Net Liability £**
ACAs	1,523,829	462,952
Revaluations	563,696	-
Tax losses	(113,870)	-
Other timing differences	(24,519)	(91,177)
	1,949,136	371,775

continued...

23. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
100	Ordinary	£1	100	100

Each share is entitled to:
- One vote in any circumstances;
- Pari passu to dividend or any other distribution; and
- full participation in capital distributions.

24. RESERVES

Group

	Retained earnings £	Revaluation reserve £	Totals £
At 1 July 2020	11,653,360	962,382	12,615,742
Profit for the year	4,668,140		4,668,140
Dividends	(176,576)		(176,576)
Revaluation	-	4,531,829	4,531,829
At 30 June 2021	16,144,924	5,494,211	21,639,135

Company

	Retained earnings £	Revaluation reserve £	Totals £
At 1 July 2020	9,953,147	962,382	10,915,529
Profit for the year	1,523,358		1,523,358
Dividends	(176,576)		(176,576)
Revaluation	-	4,531,829	4,531,829
At 30 June 2021	11,299,929	5,494,211	16,794,140

Called up share capital - represents the nominal value of shares that have been issued.

Retained earnings - included all current and prior period retained profits and losses.

Revaluation reserve - represents fair value increases in property, plant and equipment when compared to historical cost.

The transfer between retained earnings and the revaluation reserve is in relation to the amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets.

continued...

25. CONTINGENT LIABILITIES

The group cross guarantees the borrowings of its connected company Dafen Service Station Limited. At the 30 June 2021 the amount of borrowings cross guaranteed was £97,634 (2020: £111,101) . At the 30 June 2021 Dafen Service Station Limited had net assets of £1,711,352 (2020: £1,196,637).

The company cross guarantees the borrowings of its subsidiary company ORS Contract Management Limited. At the 30 June 2021 the amount of borrowings cross guaranteed was £1,283,690 (2020: £1,688,467).

26. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

Included in debtors is an amount of £846,497 (2020: £400,548) due from the directors, TH Owen and EW Owen. The maximum outstanding during the year was £853,112. No interest is charged on this balance and is repayable on demand. The amount will be repaid within 9 months of the year end. During the year the directors repaid £299,157 and were advanced £745,107.

27. RELATED PARTY DISCLOSURES

Entities over which the entity has control, joint control or significant influence

	2021	2020
	£	£
Management charge	12,600	42,150
Rent	152,667	120,000
Pension contributions	180,000	180,000
Amount due from related party	320,462	111,164

28. POST BALANCE SHEET EVENTS

There were no events after the reporting period that are material for disclosure in the financial statements.

29. ULTIMATE CONTROLLING PARTY

The controlling party is T H Owen.