

COMPANY REGISTRATION NUMBER: 01919669

Ovenden Earthmoving Co Ltd

Financial Statements

31 May 2023

Ovenden Earthmoving Co Ltd

Financial Statements

Period from 1 July 2022 to 31 May 2023

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Ovenden Earthmoving Co Ltd

Strategic Report

Period from 1 July 2022 to 31 May 2023

The directors present their strategic report for the 11 months ended 31 May 2023. The directors are pleased to announce the overall profit before tax for the year of £2,654,908 (30 June 2022: £2,351,237). The financial key performance indicators for the period are as follows:

	2023	2022
	£	£
Turnover	18,093,848	15,583,178
Gross profit	3,778,001	3,482,637
Gross profit margin %	22	22
Net profit margin (before tax) %	16	15

Turnover has risen in the period and the company has seen an increased level of profitability. The company also remains in a strong financial position at the balance sheet date, with net assets growing to £8.19m (2022: £7.57m).

Principal risks and uncertainties The principal activity for the company is the provision of specialist earthmoving, crushing, recycling and sea defence contract services. The business is subject to a number of risks which are monitored by the Board. The principal risk facing the company remains the availability of future contracts. There is also a liquidity risk which could be adversely affected by the late payment of trade debts. To mitigate the risks the Board regularly monitors the cash position and production requirements. The company's finances are supervised at Board level. Its financial instruments other than derivatives comprise cash, trade debtors, trade creditors, hire purchase and finance leases which arise from its trade. The company depends on key personnel and staff and, to mitigate the risks of retention issues, the company provides training and reward schemes. The company operates in a competitive market and the Board actively seeks new business, maintains good customer relations and continues to ensure high standards of work for customers to enable the company to succeed within the sector. It is the policy of the Board to settle trade and other debts within the terms agreed. Mr C P Barwick, the Managing Director and ultimate controlling party, sadly passed away on 1 June 2023. The remaining directors and shareholders continue to drive the company forward. The company's performance in the current financial year remains strong and ahead of past results.

Future developments The directors have considered the impact of the events in Ukraine with particular reference to how this may disrupt their business model, strategy and operations. It is noted that the company has no dealings with either Ukraine or any nation or individual currently experiencing sanctions as a result of the events in Ukraine. The directors have liaised with suppliers and customers and similarly they have no dealings that will impact the company's supply chain, recoverability of debt and credit. It is clear that there is a worldwide impact on the cost of particular goods, to include fuel, which in turn has increased the base costs of consumables in the business. The directors have calculated the effect and believe that this will not significantly impact the ability to trade or going concern. Taking into account the above risks collectively and the options available to mitigate them, the Directors are satisfied that there are no material foreseeable risks to the business that haven't been assessed or disclosed. The Directors continue to take action to mitigate the impact of the disruption.

This report was approved by the board of directors on 27 March 2024 and signed on behalf of the board by:

Mr S C Briggs

Director

Registered office:

Wellhead Farm

Wingham Well

Canterbury

Kent

CT3 1NS

Ovenden Earthmoving Co Ltd

Directors' Report

Period from 1 July 2022 to 31 May 2023

The directors present their report and the financial statements of the company for the period ended 31 May 2023 .

Directors

The directors who served the company during the period were as follows:

Mr C P Barwick

Mr J C J Barwick

Miss E Goldfinch

Mr S C Briggs

Mr C P Barwick resigned as a director on 1 June 2023.

Dividends

No final dividend has been proposed for the year.

Events after the end of the reporting period

Mr C P Barwick , the Managing Director and ultimate controlling party, sadly passed away on 1 June 2023. The remaining directors and shareholders continue to drive the company forward.

Disclosure of information in the strategic report

The directors have prepared a Strategic Report in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, which includes their review of the business, risks and uncertainties and management thereof.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial period. 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). 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 profit or loss of the company for that period. In preparing these financial statements, the directors are required to: - select suitable accounting policies and then apply them consistently; - make judgments and accounting estimates that are reasonable and prudent; - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

This report was approved by the board of directors on 27 March 2024 and signed on behalf of the board by:

Mr S C Briggs

Director

Registered office:

Wellhead Farm

Wingham Well

Canterbury

Kent

CT3 1NS

Ovenden Earthmoving Co Ltd

Independent Auditor's Report to the Members of Ovenden Earthmoving Co Ltd

Period from 1 July 2022 to 31 May 2023

Opinion

We have audited the financial statements of Ovenden Earthmoving Co Ltd (the 'company') for the period ended 31 May 2023 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion the financial statements: - give a true and fair view of the state of the company's affairs as at 31 May 2023 and of its profit for the period then ended; - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; - have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: - adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or - the financial statements are not in agreement with the accounting records and returns; or - certain disclosures of directors' remuneration specified by law are not made; or - we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below: 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. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we have considered; the nature of the industry, control environment and business performance. We also consider the results of our enquiries of management and the finance team, relating to their own identification and assessment of the risks of irregularities and possible related fraud. This includes asking questions and reviewing available documentation on their policies and procedures and performing tests of controls to evidence their effectiveness. Throughout the audit testing we are considering the incentives that may exist within the organisation for fraud. Key areas include timing of recognising income around the year end and posting of unusual journals. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We ensure we have an understanding of the relevant laws and regulations and remain alert to possible non-compliance throughout the audit. Despite proper planning and audit work in accordance with auditing standards there are inherent limitations and unavoidable risk that we may not detect some irregularities and material misstatements in the financial statements. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations. 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 auditor's report. Use of our report

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alexander Baker ACA

(Senior Statutory Auditor)

For and on behalf of

Burgess Hodgson LLP

Chartered accountants & statutory auditor

Camburgh House

27 New Dover Road

Canterbury

Kent

CT1 3DN

27 March 2024

Ovenden Earthmoving Co Ltd
Statement of Comprehensive Income

Period from 1 July 2022 to 31 May 2023

		Period from 1 Jul 22 to 31 May 23	Year to 30 Jun 22
	Note	£	£
Turnover	4	18,093,848	15,583,178
Cost of sales		14,315,847	12,100,541
		-----	-----
Gross profit		3,778,001	3,482,637
Administrative expenses		1,074,939	1,096,298
		-----	-----
Operating profit	5	2,703,062	2,386,339
Other interest receivable and similar income	9	53,588	58,908
Interest payable and similar expenses	10	101,742	94,010
		-----	-----
Profit before taxation		2,654,908	2,351,237
Tax on profit	11	505,317	248,230
		-----	-----
Profit for the financial period and total comprehensive income		2,149,591	2,103,007
		-----	-----

All the activities of the company are from continuing operations.

Ovenden Earthmoving Co Ltd

Statement of Financial Position

31 May 2023

	Note	31 May 23 £	30 Jun 22 £
Fixed assets			
Tangible assets	13	11,588,876	10,050,419
Current assets			
Stocks	14	30,000	30,000
Debtors	15	5,532,956	6,915,075
Cash at bank and in hand		1,479,895	258,738
		7,042,851	7,203,813
Creditors: amounts falling due within one year	17	6,066,836	6,372,072
Net current assets		976,015	831,741
Total assets less current liabilities		12,564,891	10,882,160
Creditors: amounts falling due after more than one year	18	2,554,870	1,994,808
Provisions			
Taxation including deferred tax	20	1,822,114	1,316,797
Net assets		8,187,907	7,570,555
Capital and reserves			
Called up share capital	23	510	510
Profit and loss account	24	8,187,397	7,570,045
Shareholders funds		8,187,907	7,570,555

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the medium companies regime.

These financial statements were approved by the board of directors and authorised for issue on 27 March 2024 , and are signed on behalf of the board by:

Mr S C Briggs

Director

Company registration number: 01919669

Ovenden Earthmoving Co Ltd

Statement of Changes in Equity

Period from 1 July 2022 to 31 May 2023

		Called up share capital	Profit and loss account	Total
		£	£	£
At 1 July 2021		510	7,547,038	7,547,548
Profit for the period			2,103,007	2,103,007
		---	-----	-----
Total comprehensive income for the period		—	2,103,007	2,103,007
Dividends paid and payable	12	—	(2,080,000)	(2,080,000)
		---	-----	-----
Total investments by and distributions to owners		—	(2,080,000)	(2,080,000)
At 30 June 2022		510	7,570,045	7,570,555
Profit for the period			2,149,591	2,149,591
		---	-----	-----
Total comprehensive income for the period		—	2,149,591	2,149,591
Dividends paid and payable	12	—	(1,532,239)	(1,532,239)
		---	-----	-----
Total investments by and distributions to owners		—	(1,532,239)	(1,532,239)
		---	-----	-----
At 31 May 2023		510	8,187,397	8,187,907
		---	-----	-----

Ovenden Earthmoving Co Ltd

Statement of Cash Flows

Period from 1 July 2022 to 31 May 2023

	Note	31 May 23 £	30 Jun 22 £
Cash flows from operating activities			
Profit for the financial period		2,149,591	2,103,007
<i>Adjustments for:</i>			
Depreciation of tangible assets		1,791,074	1,783,923
Other interest receivable and similar income		(53,588)	(58,908)
Interest payable and similar expenses		101,742	94,010
Gains on disposal of tangible assets		(179,407)	(20,966)
Tax on profit		505,317	248,230
Accrued income		(107,395)	(151,466)
<i>Changes in:</i>			
Trade and other debtors		1,382,119	(1,834,552)
Trade and other creditors		(398,446)	1,207,321
Cash generated from operations		5,191,007	3,370,599
Interest paid		(101,742)	(94,010)
Interest received		53,588	58,908
Net cash from operating activities		5,142,853	3,335,497
Cash flows from investing activities			
Purchase of tangible assets		(4,091,544)	(2,702,498)
Proceeds from sale of tangible assets		941,420	549,408
Net cash used in investing activities		(3,150,124)	(2,153,090)
Cash flows from financing activities			
Proceeds from/(repayment of) borrowings		551,927	(48,337)
Proceeds from/(repayment of) loans from group undertakings		(147,943)	1,683,000
Proceeds from/(repayment of) finance leases		400,307	(330,103)
Dividends paid		(1,532,239)	(2,080,000)
Net cash used in financing activities		(727,948)	(775,440)
Net increase in cash and cash equivalents		1,264,781	406,967
Cash and cash equivalents at beginning of period		215,114	(191,853)
Cash and cash equivalents at end of period	16	1,479,895	215,114

Ovenden Earthmoving Co Ltd

Notes to the Financial Statements

Period from 1 July 2022 to 31 May 2023

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Wellhead Farm, Wingham Well, Canterbury, CT3 1NS.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss. The financial statements are prepared in sterling, which is the functional currency of the entity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Key sources of estimation uncertainty Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows: i. Amounts recoverable on long term contracts A significant portion of the company's revenue is generated through long term contracts obtained. These can be carried out and completed in over one year. Revenue is recognised based on the stage of completion using the cost basis, and provisions for any loss making jobs are made in full where a loss is expected. ii. Useful economic life of tangible assets The annual depreciation charge depends on the estimated useful economic lives of the assets in question. These are re-assessed annually and amended where necessary to reflect current best estimates. iii. Provision for doubtful debts Where the recoverability of trade and other debtors is in doubt, a provision has been made against that debt. Management has considered factors including the credit rating of the debtor, the age of the debt and past experience. iv. Deferred tax Deferred tax assets and liabilities are recognised in full when they arise. As the book value of tangible fixed assets is higher than the tax written down value, the majority of the deferred tax balance is generated through the liability recognised on these timing differences.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax. Where the outcome of construction contracts can be reliably estimated, contract revenue and contract costs are recognised by reference to the stage of completion of the contract activity as at the period end. Where the outcome of construction contracts cannot be estimated reliably, revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable, and contract costs are recognised as an expense in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is expensed immediately, with a corresponding provision for an onerous contract being recognised. Where the collectability of an amount already recognised as contract revenue is no longer probable, the uncollectible amount is expensed rather than recognised as an adjustment to the amount of contract revenue. The entity uses the percentage of completion method to determine the amounts to be recognised in the period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred for work performed to date do not include costs relating to future activity, such as for materials or prepayments. Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	-	20% reducing balance
Fixtures and fittings	-	20% straight line
Motor vehicles	-	20% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses. Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. Turnover

Turnover arises from:

	Period from	
	1 Jul 22 to	Year to
	31 May 23	30 Jun 22
	£	£
Rendering of services	18,093,848	15,583,178
	-----	-----

Turnover represents the amounts invoiced and accrued from contracts, stated after trade discounts and exclusive of VAT. Turnover is derived from the following geographical areas:

	2023	2022
	£	£
United Kingdom	18,093,848	15,583,178

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	Period from 1 Jul 22 to 31 May 23 £	Year to 30 Jun 22 £
Depreciation of tangible assets	1,791,074	1,783,923
Gains on disposal of tangible assets	(179,407)	(20,966)

6. Auditor's remuneration

	Period from 1 Jul 22 to 31 May 23 £	Year to 30 Jun 22 £
Fees payable for the audit of the financial statements	13,125	12,500
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	14,997	19,788

7. Staff costs

The average number of persons employed by the company during the period, including the directors, amounted to:

	31 May 23 No.	30 Jun 22 No.
Administrative staff	3	3
Management staff	6	5
Number of other staff	30	31
	39	39

The aggregate payroll costs incurred during the period, relating to the above, were:

	Period from 1 Jul 22 to 31 May 23 £	Year to 30 Jun 22 £
Wages and salaries	1,921,097	1,940,820
Social security costs	233,272	227,665
Other pension costs	90,643	46,914
	2,245,012	2,215,399

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	Period from 1 Jul 22 to 31 May 23 £	Year to 30 Jun 22 £
Remuneration	227,644	269,473
Company contributions to defined contribution pension plans	63,302	6,615
	290,946	276,088

The number of directors who accrued benefits under company pension plans was as follows:

31 May 23	30 Jun 22
No.	No.
3	3
---	---

Defined contribution plans

Remuneration of the highest paid director in respect of qualifying services:

	Period from 1 Jul 22 to 31 May 23	Year to 30 Jun 22
	£	£
Aggregate remuneration	94,526	112,445
	-----	-----

9. Other interest receivable and similar income

	Period from 1 Jul 22 to 31 May 23	Year to 30 Jun 22
	£	£
Interest on loans and receivables	53,588	58,908
	-----	-----

10. Interest payable and similar expenses

	Period from 1 Jul 22 to 31 May 23	Year to 30 Jun 22
	£	£
Interest on banks loans and overdrafts	10	451
Interest on obligations under finance leases and hire purchase contracts	101,732	93,559
	-----	-----
	101,742	94,010
	-----	-----

11. Tax on profit

Major components of tax expense

	Period from 1 Jul 22 to 31 May 23	Year to 30 Jun 22
	£	£
Deferred tax:		
Origination and reversal of timing differences	505,317	248,230
	-----	-----
Tax on profit	505,317	248,230
	-----	-----

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the period is lower than (2022: lower than) the standard rate of corporation tax in the UK of 20 % (2022: 19 %).

	Period from 1 Jul 22 to 31 May 23	Year to 30 Jun 22
	£	£
Profit on ordinary activities before taxation	2,654,908	2,351,237
	-----	-----
Profit on ordinary activities by rate of tax	530,982	446,735
Effect of expenses not deductible for tax purposes	17,272	8,144
Effect of capital allowances and depreciation	(638,790)	(413,210)
Utilisation of tax losses	90,536	(41,669)
Deferred tax adjustment	505,317	248,230
	-----	-----
Tax on profit	505,317	248,230
	-----	-----

12. Dividends

Dividends paid during the period (excluding those for which a liability existed at the end of the prior period):

	31 May 23	30 Jun 22
	£	£
Dividends on equity shares	1,532,239	2,080,000

13. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 July 2022	18,517,787	267,392	1,000,764	19,785,943
Additions	3,733,381	24,851	333,312	4,091,544
Disposals	(1,945,392)	(16,131)	(246,811)	(2,208,334)
At 31 May 2023	20,305,776	276,112	1,087,265	21,669,153
Depreciation				
At 1 July 2022	8,923,256	259,602	552,666	9,735,524
Charge for the period	1,695,819	3,406	91,849	1,791,074
Disposals	(1,260,040)	(16,131)	(170,150)	(1,446,321)
At 31 May 2023	9,359,035	246,877	474,365	10,080,277
Carrying amount				
At 31 May 2023	10,946,741	29,235	612,900	11,588,876
At 30 June 2022	9,594,531	7,790	448,098	10,050,419

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Plant and machinery £	Motor vehicles £	Total £
At 31 May 2023	7,794,780	233,809	8,028,589
At 30 June 2022	7,505,737	219,566	7,725,303

Capital commitments

	31 May 23	30 Jun 22
	£	£
Contracted for but not provided for in the financial statements	1,013,666	1,080,700

14. Stocks

	31 May 23	30 Jun 22
	£	£
Raw materials and consumables	30,000	30,000

15. Debtors

	31 May 23	30 Jun 22
	£	£
Trade debtors	2,233,644	4,063,886
Prepayments and accrued income	115,824	141,314
Amounts recoverable on long term contracts	852,170	571,958
Other debtors	2,331,318	2,137,917
	<u>5,532,956</u>	<u>6,915,075</u>

16. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	31 May 23	30 Jun 22
	£	£
Cash at bank and in hand	1,479,895	258,738
Bank overdrafts	—	(43,624)
	<u>1,479,895</u>	<u>215,114</u>

17. Creditors: amounts falling due within one year

	31 May 23	30 Jun 22
	£	£
Bank loans and overdrafts	—	43,624
Trade creditors	1,495,219	1,812,719
Amounts owed to group undertakings	1,535,057	1,683,000
Accruals and deferred income	137,771	245,166
Social security and other taxes	82,964	144,655
Obligations under finance leases and hire purchase contracts	2,061,974	2,221,729
Director loan accounts	620,739	68,812
Other creditors	133,112	152,367
	<u>6,066,836</u>	<u>6,372,072</u>

The company's hire purchase and finance leases are secured on the assets to which they relate. The bank overdraft is also secured by a fixed and floating debenture over the current and future assets of the company.

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

	31 May 23	30 Jun 22
	£	£
Obligations under finance leases and hire purchase contracts	2,554,870	1,994,808

Included in creditors falling due in more than one year are hire purchase and finance lease obligations, which are secured on the assets to which they relate.

19. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	31 May 23	30 Jun 22
	£	£
Not later than 1 year	2,061,974	2,221,729
Later than 1 year and not later than 5 years	2,554,870	1,994,808
	<u>4,616,844</u>	<u>4,216,537</u>

20. Provisions

	Deferred tax (note 21) £
At 1 July 2022	1,316,797
Charge against provision	505,317
At 31 May 2023	1,822,114

21. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	31 May 23 £	30 Jun 22 £
Included in provisions (note 20)	1,822,114	1,316,797

The deferred tax account consists of the tax effect of timing differences in respect of:

	31 May 23 £	30 Jun 22 £
Accelerated capital allowances	2,410,758	1,790,830
Unused tax losses	(588,644)	(474,033)
	1,822,114	1,316,797

22. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £ 90,643 (2022: £ 46,914).

23. Called up share capital**Issued, called up and fully paid**

	31 May 23		30 Jun 22	
	No.	£	No.	£
'A' Ordinary shares of £ 0.01 each	44,920	449	44,920	449
'B' Ordinary shares of £ 0.01 each	2,000	20	2,000	20
'C' Ordinary shares of £ 0.01 each	4,080	41	4,080	41
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	51,000	510	51,000	510
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24. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

25. Analysis of changes in net debt

	At 1 Jul 2022	Cash flows	At 31 May 2023
	£	£	£
Cash at bank and in hand	258,738	1,221,157	1,479,895
Bank overdrafts	(43,624)	43,624	–
Debt due within one year	(3,973,541)	(244,229)	(4,217,770)
Debt due after one year	(1,994,808)	(560,062)	(2,554,870)
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	(5,753,235)	460,490	(5,292,745)
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Ovenden Earthmoving Co Ltd

Notes to the Financial Statements *(continued)*

Period from 1 July 2022 to 31 May 2023

26. Related party transactions

During the period, the following transactions with related parties took place:-

	2023	2022
	£	£
Loans due to related parties	2,028,766	1,683,000
Loans due from related companies	1,535,054	2,004,255
Interest received on loans to related companies	53,588	57,704
Sales to related parties	295,594	204,560
Purchases from directors	49,940	392,780
Purchases from related companies	491,320	110,320
Amounts due to directors	620,740	68,812

Loans to associated companies are unsecured at a fixed rate of 3%.

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the company was £ 292,324 (2022: £ 285,326).

27. Controlling party

During the year the ultimate controlling party is Mr C P Barwick . As at 1 June 2023, ownership passed to the Estate of Mr C P Barwick .

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