

**H.R. Owen Dealerships Limited**  
**Annual report and unaudited financial statements**  
**for the year ended 30 June 2023**

Registered Number 02832555

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# **H.R. Owen Dealerships Limited**

## **Annual report for the for the year ended 30 June 2023**

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# **H.R. Owen Dealerships Limited**

## **Directors and advisors for the for the year ended 30 June 2023**

### **Directors**

M Dalman

M Patel

V K Choo

### **Company secretary and registered office**

D Grimston

Melton Court

Old Brompton Road

London

SW7 3TD

### **Banker**

Barclays Bank Plc

1 Churchill Place

London

E14 5HP

### **Solicitor**

Ellisons LLP

Headgate Court

Head Street

Colchester

Essex

CO1 1NP

### **Independent accountants**

BDO LLP

Arcadia House

Maritime Walk

Southampton

SO14 3TL

# H.R. Owen Dealerships Limited

## The Strategic report for the for the year ended 30 June 2023

### **Business review, principal activities and future outlook**

The principal activity of the Company during the year was that of franchised motor dealer operating sites in the Greater London area, Greater Manchester area, Berkshire and Hertfordshire.

The profit for the year ended 30 June 2023 amounted to £4,935,000 after taxation, (2022: £5,653,000), resulting from sales of £323,672,000 (2022: £278,072,000). The Company's net assets at the year-end were £41,513,000 (2022: £35,591,000).

The directors are not currently aware of any future developments that are expected to have a material impact on the company.

### **Key Performance Indicators**

The directors of H.R. Owen Dealerships Limited manage the Company's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of H.R. Owen Dealerships Limited. The development, performance and position of H.R. Owen Plc, which includes the Company, is discussed in the Business Review of the Group's annual report which does not form part of this report.

### **Principal risks and uncertainties**

As a subsidiary of H R Owen plc ("the Group"), the principal risks and uncertainties of the company are considered by the directors in the wider context of the Group. The management of the business and the execution of the Group's strategy are subject to several risks. These risks are formally reviewed by the Board and where appropriate, monitored and mitigated by suitable processes.

The recent geopolitical & economic events were added to principal risks during the year under review. The potential for a material cyber incident or data breach has increased.

Any business associated with the sale of cars is vulnerable to outside factors, both political and economic. Interest rate changes, supply chain risks, rising fuel costs and broader environmental concerns could all have an impact on a consumer's decision whether to buy a particular new or used car. In order to minimise the risk, our unique partnerships are spread across several luxury and sports car brands.

Other risks relate to the contractual relationships we have with several vehicle manufacturers and in particular our reliance on them continuing to supply a suitable mix of popular vehicle models at competitive prices. If this supply ceases or is restricted or over-supplied for any reason, it would clearly impact on our performance, especially in relation to new cars and in turn have an adverse effect on profitability. The risk is mitigated by the Group's spread of manufacturer relationships.

Possible future changes to the legislative framework governing the sale of new cars in the UK and the competition provided by cost-efficient internet-based brokers and sellers also pose risks to us. We have developed a significant online presence and continue to invest further in order to ensure exposure to these rapidly developing new avenues of sale. In the area of aftersales, any improvement in the reliability and durability of cars will reduce the need for servicing and repairs, and the threat of increased competition from the independent service and repair sector is now a permanent feature of the market. The Group's investment in maintaining close relationships with its customers aims to generate customer loyalty and mitigate the risk of aftersales work migrating to the independent sector.

Finally, the Group is dependent upon a few business-critical systems which, if interrupted for a significant period, would be likely to have a material effect on the smooth running of the Group's operational and financial systems. Several contingency plans and risk management strategies are already in place which aim to ensure that the Group could resume operations within an appropriate period.

# **H.R. Owen Dealerships Limited**

## **The Strategic report for the for the year ended 30 June 2023 (continued)**

### **Going concern**

The financial statements have been prepared on a going concern basis. The H R Owen plc Group, of which the company is a part, has prepared forecasts for the period of one year from the signing of the financial statements that consider all financial commitments – such as capital expenditure commitments – and available financing facilities.

The forecasts show that the Group has substantial cash headroom and undrawn facilities throughout the period and, as such, the directors consider that the Group has sufficient resources in order to meet its obligations as they fall due for a period of not less than twelve months from the date of issuing the financial statements.

By order of the board



**D Grimston**  
**Company Secretary**

Date: 25 March 2024

# H.R. Owen Dealerships Limited

## Section 172 Statement for the year ended 30 June 2023

Section 172 of the Companies Act 2006 requires Directors to consider the interests of stakeholders and other matters in their decision making. The Board has a duty to promote the success of the Company for the benefit of its members having regard to the interests of our customers, our people, our relationship with our suppliers and the impact of our operations on the communities in which we operate, and to ensure that we maintain a reputation for high standards of business conduct.

Our key stakeholders are our customers and our people. Our suppliers, regulators, and the communities we operate in are also important stakeholder groups. All key Board decisions considers the impact on relevant stakeholders. Increasingly, stakeholders are looking to understand our performance across multiple areas from performance to products and services, governance, and workplace practices. The Board endeavours to gain an understanding of the perceptions and attitudes of each stakeholder group and the weight they give to different issues. Where the views of different stakeholder groups do not align, the Board must decide on the best course of action to promote the Company's long-term success.

### Customers

Customers are at the heart of our business. We aim to deliver truly outstanding, customer experiences, ensuring great outcomes and value for money.

Customer satisfaction surveys are regularly undertaken by the Group's manufacturer partners. We also communicate via social media.

### People

As a retail organisation, our people are key to our business. We want our people to feel engaged and empowered to deliver great outcomes for our customers and be healthier and happier themselves.

Engagement with our people takes place through face-to-face meetings, regular appraisals, team briefings, intranet, and regular updates from the CEO. Outstanding performance is recognised through "employee of the month" awards.

### Regulators

The Company is regulated by the FCA and other relevant regulators. Regulators ultimately aim to protect customers and ensure that they receive high levels of care and are treated fairly. This clearly aligns with our strategy to put our customers front and centre.

Our regulators expect us to:

- have robust and effective processes and controls in place to mitigate risks to protect our customers.
- provide a high-quality and robust services.
- ensure we operate in a sustainable way.

### Suppliers

Suppliers are critical to delivering a high-quality service to our customers, which include systems suppliers and suppliers of products. We look to secure excellent value for money, whilst minimising risk in our supply chain. We aim to treat our suppliers fairly and pay them within agreed timescales, holding ourselves to high standards of business conduct.

### Communities and environment

We play an active role in the communities in which we operate and take care of the environment. We continue to evaluate the business risks and opportunities associated with climate change, closely managing our environmental impact and actively promoting positive environmental practices. We invest in apprenticeship programme to provide youth employment opportunities.

We launched a driver safety programme for our workforce.

# H.R. Owen Dealerships Limited

## Directors' report for the for the year ended 30 June 2023

The directors present their annual report and the unaudited financial statements of the Company for the for the year ended 30 June 2023.

### Results and dividends

The results for the year ended 30 June 2023 are set out in the Statement of Comprehensive Income on page 8. The directors remain satisfied with the financial performance of the Company.

During the year, a dividend was paid to HR Owen Plc of £Nil (2022: £Nil).

### Directors

The directors of the Company who were in office during the period and up to the date of the signing of the financial statements are listed below:

M Dalman  
M Patel  
V K Choo

### Risks associated with financial instruments

The Company's operations expose it to a variety of financial risks that include the effects of credit risk, liquidity risk and interest rate risk.

#### *Credit risk*

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to retail customers, including outstanding receivables. The Company keeps all deposits with high street banks.

The Company has implemented policies that require appropriate credit checks on potential customers before sales over certain credit limits are made.

#### *Liquidity risk and interest rate risk*

The Company finances its operations through a mixture of retained reserves and borrowings. These borrowings comprise bank loans, overdrafts, manufacturer and other vehicle stocking loans. Liquidity risk is managed by borrowing with a spread of maturity periods. The Company has significant fluctuations in short-term borrowings due to industry specific factors. The Company mitigates any potential liquidity risk through maintaining substantial unutilised banking and used vehicle stocking loan facilities.

The Company is subject to interest rate risk on the borrowings. All borrowings are at floating rates. Any surplus cash balances are placed on overnight or short-term deposit on UK money markets.

The liquidity and interest rate risk is managed on behalf of the Company by its parent company.

### Disclosures in parent company financial statements

The following disclosures are included in the financial statements of H R Owen plc:

# H.R. Owen Dealerships Limited

## Directors' report for the for the year ended 30 June 2023 (continued)

### **Payment to suppliers**

The Company agrees payment terms with its suppliers when it enters into binding purchase contracts. The Company seeks to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions. The Company does not have a standard or code which deals specifically with the payment of suppliers.

The Company's average creditor payment period at 30 June 2023 was 9 days (2022: 2 days).

### **Post balance sheet events**

No post balance sheet events to note.

### **Likely future developments in the business of the company**

Information on likely future developments in the business of the company has been included in the Strategic Report on page 2.

### **Qualifying third party indemnity provisions**


The Company has put in place qualifying third party indemnity provisions for the Directors of the Company.

### **Statement of disclosure of information to auditors**

Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information. So far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the board



D Grimston  
**Company Secretary**

Date 25 March 2024



# H.R. Owen Dealerships Limited

## Chartered accountants' report to the board of directors on the preparation of the unaudited financial statements of H.R. Owen Dealerships Limited for the year ended 30 June 2023

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of H.R. Owen Dealerships Limited for the year ended 30 June 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation/a-z>

It is your duty to ensure that H.R. Owen Dealerships Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of H.R. Owen Dealerships Limited. You consider that H.R. Owen Dealerships Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of H.R. Owen Dealerships Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

### *Use of our report*

This report is made solely to the board of directors of H.R. Owen Dealerships Limited, as a body, in accordance with the terms of our engagement letter dated 18 July 2023. Our work has been undertaken solely to prepare for your approval the accounts of H.R. Owen Dealerships Limited and state those matters that we have agreed to state to the board of directors of H.R. Owen Dealerships Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than H.R. Owen Dealerships Limited and its board of directors as a body for our work or for this report.

DocuSigned by:

*BDO LLP*

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**BDO LLP**

*Chartered Accountants*

Southampton

UK

Date 26 March 2024

# H.R. Owen Dealerships Limited

## Statement of comprehensive income for the for the year ended 30 June 2023

	Note	2023 £'000	2022 £'000
Turnover	4	323,672	278,072
Cost of sales		(287,780)	(244,269)
Gross profit		35,892	33,803
Net operating expenses	5	(28,448)	(25,215)
<b>Profit on ordinary activities before interest and taxation</b>		7,444	8,588
Interest payable and similar charges	8	(2,043)	(1,207)
<b>Profit on ordinary activities before taxation</b>	9	5,401	7,381
Tax charge on profit on ordinary activities	10	(466)	(1,728)
<b>Profit on ordinary activities after taxation</b>		4,935	5,653
<b>Other comprehensive income</b>			
Actuarial gains on pension scheme	23	1,457	2,765
Movement on deferred tax relating to pension deficit		(364)	(691)
<b>Total comprehensive income for the year</b>		6,028	7,727

The Company's results shown above all derive from continuing operations.

The Company has no other recognised gains and losses other than those included in the results above.

The notes on pages 11 to 27 form part of these financial statements.

# H.R. Owen Dealerships Limited

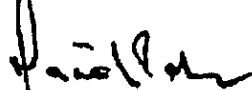
## Balance sheet as at 30 June 2023

	Note	2023 £'000	2022 £'000
<b>Fixed assets</b>			
Intangible fixed assets	11	377	377
Right of Use Asset	12	17,679	17,474
Tangible fixed assets	13	9,223	5,388
		27,279	23,239
<b>Current assets</b>			
Stock	15	48,177	32,500
Debtors	16	95,416	99,624
Cash at bank and in hand		5,679	-
		149,272	132,124
<b>Creditors: amounts falling due within one year</b>	17	(120,822)	(103,937)
<b>Net current assets</b>		28,450	28,187
<b>Total assets less current liabilities</b>		55,729	51,426
Deferred tax	19	(1,755)	(1,102)
Provisions for liabilities and charges	20	(1,431)	(2,345)
Creditors: amounts falling due after one year	18	(17,474)	(17,124)
<b>Net assets excluding pension asset</b>		35,069	30,855
<b>Pension asset</b>	23	6,444	4,736
<b>Net assets including pension asset</b>		41,513	35,591
<b>Capital and reserves</b>			
Called up share capital	21	2,500	2,500
Capital contribution reserve		394	-
Profit and loss account		38,619	33,091
<b>Total shareholders' funds</b>		41,513	35,591

The directors consider that the company is entitled to exemption from audit under section 479a of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the board of directors and authorised for issue on 25 March 2024



M Patel  
Director

H.R. Owen Dealerships Limited

Registered Number 02832555

The notes on pages 11 to 27 form part of these financial statements.

# H.R. Owen Dealerships Limited

## Statement of changes in equity for the for the year ended 30 June 2023

	Share capital £'000	Capital contribution reserve £'000	Retained earnings £'000	Total equity £'000
At 1 July 2022	2,500	-	33,091	35,591
Profit for the year	-	-	4,935	4,935
Other comprehensive income:				
Actuarial gains recognised in defined benefit pension scheme (net of deferred tax)	-	-	1,093	1,093
Waiver of inter-company debt	-	394	(500)	(106)
<b>At 30 June 2023</b>	<b>2,500</b>	<b>394</b>	<b>38,619</b>	<b>41,513</b>

	Share capital £'000	Retained earnings £'000	Total equity £'000
At 1 July 2021	2,500	25,364	27,864
Profit for the year	-	5,653	5,653
Other comprehensive income:			
Actuarial gains recognised in defined benefit pension scheme (net of deferred tax)	-	2,074	2,074
<b>At 30 June 2022</b>	<b>2,500</b>	<b>33,091</b>	<b>35,591</b>

### Retained earnings

The retained earnings reserve represents the Company's accumulated profit and loss account.

### Share capital

Called up share capital represents the nominal value of shares issued.

### Capital contribution

The capital contribution reserve represents reserves created through the waiver of intercompany debt.

The notes on pages 11 to 27 form part of these financial statements.

# H.R. Owen Dealerships Limited

## Notes to the financial statements for the for the year ended 30 June 2023

### 1 General information

H.R.Owen Dealerships Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activity are set out in the strategic report.

### 2 Principal accounting policies

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared on a historical cost basis except where stated otherwise in the accounting policies. The presentation currency used is sterling and amounts have been presented in round thousands ("£000s").

#### Disclosure exemptions adopted

In preparing these financial statements the company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- certain comparative information as otherwise required by international accounting standards in conformity with the requirements of the Companies Act 2006;
- certain disclosures regarding the company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the group headed by H.R. Owen Plc.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of H.R. Owen Plc. These financial statements do not include certain disclosures in respect of:

- Financial Instruments; and
- Impairment of assets.

#### Judgements and key areas of estimation uncertainty

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires the company's directors to exercise judgement in applying the company's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

#### Consolidated financial statements

The Company is exempt from preparing consolidated financial statements under section 400 of the Companies Act 2006, since it is a wholly owned subsidiary of H.R. Owen Plc, which is incorporated in Great Britain and registered in England and Wales, and produces consolidated accounts which are publicly available.

# H.R. Owen Dealerships Limited

## Notes to the financial statements for the for the year ended 30 June 2023 (continued)

### Going Concern

The financial statements have been prepared on a going concern basis. The H R Owen plc Group of which the company is a part has prepared forecasts for the period of one year from the signing of the financial statements that consider all financial commitments – such as capital expenditure commitments – and available financing facilities.

The forecasts show that the Group has substantial cash headroom and undrawn facilities throughout the period and, as such, the directors consider that the Group has sufficient resources in order to meet its obligations as they fall due for a period of not less than twelve months from the date of issuing the financial statements.

### Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated on a straight line basis so as to write off the cost of tangible fixed assets, less their estimated residual values, over the expected useful economic lives of the assets concerned. Estimated economic lives are reviewed periodically and adjusted as appropriate.

Furniture and equipment, which includes fixtures and fittings as well as office and computer equipment, is depreciated over an economic life of between three and ten years. Improvements to short leasehold premises are depreciated over the shorter of the remaining life of the relevant lease, and the estimated useful economic life of the improvements. Lease premiums are amortised over the remaining life of the related property lease.

### Impairment of fixed assets and goodwill

Fixed assets and goodwill are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Fixed assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased, except for goodwill where impairment losses previously recognised are not reversed.

### Revenue from Contracts with Customers

In respect of vehicle revenues, the Group recognises revenue on the delivery of vehicles to customers, except where the vehicle handover has taken place and the vehicle is insured by the customer but held temporarily by H R Owen at the customer's request. As the delivery of the vehicle is deemed to be the point in time at which control of the vehicle transfers to the customer and the performance obligation is satisfied, this is in line with IFRS 15 as this is the point of revenue recognition and no additional performance obligations have been identified. In addition, there is no material impact of rights of return, contract modifications or variable consideration such that the measurement of revenue has also not been impacted. While customer deposits are received in advance of vehicle delivery, there is not considered to be a significant financing component on the basis that the deposits are considered to be for a purpose other than financing, being principally to secure access to limited supply and provide comfort to the customer that H R Owen will fulfil its performance obligations. Vehicle sales are fully paid at the point of delivery, except for sales to certain corporate customers on credit terms of up to 60 days.

# H.R. Owen Dealerships Limited

## Notes to the financial statements for the for the year ended 30 June 2023 (continued)

### Revenue from Contracts with Customers (continued)

Revenues on parts and accessory sales are similarly recognised on delivery to the customer, being the point in time that control is considered to pass to the customer. Servicing and bodyshop revenues are recognised over time with reference to the extent of the completion of the agreed work as informed by labour rates. There is therefore no change in the timing or measurement of aftersales revenue recognition. As with vehicle sales, parts, accessories, servicing and bodyshop services are paid on delivery except in the instance of certain corporate customers on credit terms of up to 60 days.

### Financial Instruments

The Company adopts a simplified approach using a provision matrix in the determination of lifetime expected credit losses. This approach takes into consideration both historic credit losses and future factors.

However, due to the fact that the Company requires finance to be in place for vehicle sales to individuals and has no history of significant bad debts, expected credit losses, beyond provision for credit impaired receivables, are not material.

### Leased assets

The Company recognises a right-of use asset and a lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost, and subsequently at cost less accumulated depreciation and impairment losses and is then adjusted for certain remeasurements of the lease liability. Depreciation is recognised on a straight-line basis over the period of the lease the right-of-use asset is expected to be utilized.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease or, when this is not readily attainable, the Company's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and reduced by payments made, it is remeasured when there is a change in future lease payments arising from a change of index or rate, a variation in amounts payable following contractual rent reviews and changes in the assessment of whether an extension/termination option is reasonably certain to be exercised. Where lease contracts include renewal and termination options, judgement is applied to determine the lease term. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term and the subsequent recognition of the lease liability and right-of-use asset.

### Leased assets: lessor

All such leases are considered to be operating leases. Their annual rentals are credited to profit or loss over the term of the lease.

Where the Group has a legal obligation, a dilapidations provision is created on inception of a lease. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease. Where the obligation arises from 'wear and tear', the provision is accrued and expensed in profit or loss as the 'wear and tear' occurs.

### Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost of vehicles and parts stocks represents the purchase price plus any additional costs incurred. Parts stocks are accounted for on a first-in, first-out basis. Where necessary, provision is made for obsolete, slow moving and defective stock. Cars used for demonstration purposes are valued at cost less an appropriate charge for use.

Vehicles on consignment are included in stock when substantially all of the principal benefits and inherent risks rest with the Company. The corresponding liability after deducting any deposits is included under creditors, as manufacturers' vehicle stocking loans.

# H.R. Owen Dealerships Limited

## Notes to the financial statements for the for the year ended 30 June 2023 (continued)

### Financial assets

#### *Loans and receivables*

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The company's loans and receivables comprise trade and other receivables.

### Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

### Financial liabilities

#### *Other financial liabilities*

Other financial liabilities include the following items:

- Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position.
- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.

### Taxation

The taxation charge for the period comprises both current and deferred tax. Taxation is recognised in the Income Statement or in other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable for the period along with adjustments for tax payable in respect of previous periods.

Deferred tax is provided for all deferred tax assets and liabilities using full provision accounting, when an event has taken place by the balance sheet date which gives rise to an increased or reduced tax liability in the future. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.



# H.R. Owen Dealerships Limited

## Notes to the financial statements for the for the year ended 30 June 2023 (continued)

### Taxation (continued)

Deferred tax assets are recognised to the extent that future taxable profits will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relates to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### Pension scheme arrangements

The Company operates a number of defined contribution pension schemes. The pension cost charge represents contributions payable to the funds in respect of the period.

Certain employees are also members of the H.R. Owen London Defined Benefit Pension Scheme, a defined benefit pension scheme. The net deficit of the defined benefit pension scheme is calculated as the difference between the fair value of plan assets at the reporting date compared to the plan liabilities using the projected unit method discounted to its present value using prudent and appropriate discount factors. Any deficit recorded by the Scheme is included in the balance sheet. The pension cost charged against income consists of the current service cost, finance costs, expected return on plan assets and past service cost. Any curtailment gains arising are credited to the Income Statement.

A net asset is recognised as it is considered that the company has an unconditional right to the return of any surplus from the scheme.

### Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the company's share of the net identifiable assets acquired and is allocated by manufacturer grouping. Goodwill is included in non-current assets and carried at cost less accumulated impairment losses. Goodwill is tested annually for impairment by comparing the carrying value of the goodwill with the cash generating ability of the underlying business unit. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

A net asset is recognised as it is considered that the company has an unconditional right to the return of any surplus from the scheme.

### Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

# H.R. Owen Dealerships Limited

## Notes to the financial statements for the for the year ended 30 June 2023 (continued)

### 3 Critical accounting estimates and judgements

The company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Inventory valuations – the company holds significant inventories of used cars. Trade guides and other publications are used to assist in the assessment of the carrying values of these cars at the balance sheet date and provisions taken as necessary (see note 15);

(b) Estimated pension liabilities - The Company operates a defined benefit pension scheme, in accordance with the accounting policy as stated above. The future pension liabilities that will arise and the expected return on scheme assets are based upon various assumptions such as mortality rates, investment returns and future inflation. The calculations require the use of estimates (see note 23).

### 4 Turnover

Turnover consists of the sales of motor vehicles, servicing and parts and accessories, excluding value added tax. Turnover consists materially of sales made in the United Kingdom and arises from the Company's sole principal activity. Sales which are partially completed as at year-end (as not having met certain recognition criteria) are held in deferred income net of value added tax.

An analysis of turnover by class of business is as follows:

	<b>2023</b> <b>£'000</b>	<b>2022</b> <b>£'000</b>
Vehicles	304,713	258,598
Aftersales	18,959	19,474
	<b>323,672</b>	<b>278,072</b>

### 5 Net operating expenses

	<b>2023</b> <b>£'000</b>	<b>2022</b> <b>£'000</b>
Selling and distribution costs	15,167	13,083
Administration expenses	11,629	11,595
H.R. Owen Group management charge	2,485	1,845
Other operating income	(833)	(1,308)
<b>Net operating expenses</b>	<b>28,448</b>	<b>25,215</b>

Fees paid to the Company's auditor, BDO LLP, for services other than the statutory audit of the Company are not disclosed in H.R. Owen Dealerships Limited's accounts since the consolidated accounts of H.R. Owen Plc are required to disclose non-audit fees on a consolidated basis.

# H.R. Owen Dealerships Limited

## Notes to the financial statements for the for the year ended 30 June 2023 (continued)

### 6 Directors' emoluments

No director received any fees or other emoluments for their services from the Company during the for the year ended 30 June 2023 (2022: £Nil).

### 7 Employee information

The average monthly number of persons (including executive directors) employed by the Company during the period was:

	2023 Number	2022 Number
<b>By Activity</b>		
Selling and distribution	181	150
Administration	22	18
	203	168
	£'000	£'000
<b>Staff costs (for the above persons)</b>		
Wages and salaries	9,679	8,086
Social security costs	1,204	925
Other pension costs (see note 23)	102	132
	10,985	9,143

### 8 Interest payable and similar charges

	2023 £'000	2022 £'000
On manufacturers' vehicle stocking loans	1,633	654
Lease interest	591	588
On retirement benefit asset (see note 23)	(181)	(35)
	2,043	1,207

# H.R. Owen Dealerships Limited

## Notes to the financial statements for the for the year ended 30 June 2023 (continued)

### 9 Profit on ordinary activities before taxation

	2023 £'000	2022 £'000
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation charge for the year:		
- Owned tangible fixed assets	1,449	1,366
- Right of Use Asset	1,793	1,874
Profit on disposal of tangible fixed assets	-	(17)
Operating lease charges:		
- Plant and machinery	25	-
- Other	-	-

### 10 Tax on profit on ordinary activities

#### a) Analysis of charges for the year

	2023 £'000	2022 £'000
Current tax:		
UK corporation tax on profit for the year	614	1,503
Adjustments in respect of previous accounting periods	(437)	(20)
Total current tax	177	1,483
Origination and reversal of timing differences	212	(2)
Adjustments in respect of previous periods	77	247
<b>Total deferred tax</b>	<b>289</b>	<b>245</b>
<b>Tax charge on profit on ordinary activities</b>	<b>466</b>	<b>1,728</b>

# H.R. Owen Dealerships Limited

## Notes to the financial statements for the for the year ended 30 June 2023 (continued)

### 10 Tax on profit on ordinary activities (continued)

#### b) Factors affecting the current tax charge for the year

The current charge for the accounting year is less (2022: higher) than the standard rate of corporation tax in the UK 20.49% (2022: 19%). The difference is explained below:

	2023 £'000	2022 £'000
<b>Profit on ordinary activities before taxation:</b>	5 401	7 381
Profit on ordinary activities multiplied by the standard rate of UK corporation tax of 20.49%(2022: 19%)	1,107	1,402
Effect of:		
Fixed asset differences	108	64
Other differences	(67)	(14)
Expenses not deductible for tax purposes	15	49
Utilisation of group losses	(441)	-
Effect of rate change	104	-
Adjustments in respect of prior periods	(360)	227
<b>Total tax charge for the year (see note 10a)</b>	<b>466</b>	<b>1,728</b>

The UK corporation tax rate was 20.49% in the year to 30 June 2023 and this rate has been used for the purposes of preparing the tax disclosures. Increases in the UK Corporation tax rate from 19% to 25% (effective from 1 April 2023) have been substantively enacted. The value of the deferred tax liability at the balance sheet date has been calculated using the applicable rate when the liabilities is expected to be realised.

# H.R. Owen Dealerships Limited

## Notes to the financial statements for the for the year ended 30 June 2023 (continued)

### 11 Intangible fixed assets

	Purchased goodwill £'000
<b>Cost</b>	
At 1 July 2022 and 30 June 2023	377
<b>Impairment</b>	
During the year	-
<b>Net book value</b>	
At 30 June 2023 and 30 June 2022	377

### 12 Right-of-use assets

	Right of Use Asset £'000
<b>Deemed cost</b>	
At 1 July 2022	22,746
Additions	1,998
<b>At 30 June 2023</b>	<b>24,744</b>
<b>Accumulated depreciation</b>	
At 1 July 2022	5,272
Charge for the year	1,793
<b>At 30 June 2023</b>	<b>7,065</b>
<b>Net book value</b>	
<b>At 30 June 2023</b>	<b>17,679</b>
<b>Net book value</b>	
At 30 June 2022	17,474

# H.R. Owen Dealerships Limited

## Notes to the financial statements for the for the year ended 30 June 2023 (continued)

### 13 Tangible fixed assets

	Leasehold improvements £'000	Furniture and equipment £'000	Assets in construction £'000	Total £'000
<b>Cost</b>				
At 1 July 2022	7,663	5,722	346	13,731
Additions	-	5,402	-	5,402
Transfers	-	346	(346)	-
Disposals	(530)	(640)	-	(1,170)
<b>At 30 June 2023</b>	<b>7,133</b>	<b>10,830</b>	<b>-</b>	<b>17,963</b>
<b>Accumulated depreciation</b>				
At 1 July 2022	4,512	3,831	-	8,343
Charge for the year	791	658	-	1,449
Disposals	(454)	(598)	-	(1,052)
<b>At 30 June 2023</b>	<b>4,849</b>	<b>3,891</b>	<b>-</b>	<b>8,740</b>
<b>Net book value</b>				
<b>At 30 June 2023</b>	<b>2,284</b>	<b>6,939</b>	<b>-</b>	<b>9,223</b>
<b>Net book value</b>				
At 30 June 2022	3,151	1,891	346	5,388

# H.R. Owen Dealerships Limited

## Notes to the financial statements for the for the year ended 30 June 2023 (continued)

### 14 Investments in subsidiaries

	£
Cost and net book value at 1 July 2022 and 30 June 2023	1

Investments in subsidiaries are as follows:

Name	Nature of business	Registered office	Description of shares held	Proportion of nominal value of issued shares held
H.R. Owen Investments Limited	Dormant	Melton Court, Old Brompton Road, London, SW7 3TD	Ordinary £1 shares	100%

The directors believe that the carrying value of the investment is supported by its underlying net asset. On 29 August 2023 the above company was dissolved.

### 15 Stock

	2023 £'000	2022 £'000
Vehicles stock	45,864	30,612
Parts and other stock	2,313	1,888
	48,177	32,500

As at 30 June 2023 £14,354,033 of vehicles on consignment were held off the balance sheet (2022: £4,779,404) as the risks and rewards of ownership were considered not to have transferred to the Company at the balance sheet date.

There is no material difference between the replacement cost of stocks and the amounts stated above.

Inventories charged as an expense in the year total £286,374,777 (2022: £240,728,289).



# H.R. Owen Dealerships Limited

## Notes to the financial statements for the for the year ended 30 June 2023 (continued)

### 16 Debtors

	2023 £'000	2022 £'000
<b>Amounts falling due within one year:</b>		
Trade debtors	4,396	3,903
Amounts owed by group undertakings	81,119	87,488
Other debtors	761	541
Other tax and social security	4,377	1,527
Prepayments and accrued income	3,134	3,280
Corporation Tax	1,629	2,885
	<b>95,416</b>	<b>99,624</b>

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

### 17 Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Bank overdrafts	-	7,294
Trade creditors	6,853	1,418
Manufacturers' vehicle stocking loans	33,804	22,069
Amounts owed to Group undertakings	24,627	23,415
Other creditors	49,710	44,589
Accruals and deferred income	4,551	3,849
Lease liabilities	1,277	1,303
	<b>120,822</b>	<b>103,937</b>

# H.R. Owen Dealerships Limited

## Notes to the financial statements for the for the year ended 30 June 2023 (continued)

### 17 Creditors: amounts falling due within one year (continued)

Bank overdrafts are secured by fixed and floating charges over the assets of the Company.

Vehicle stocking loans are secured by fixed and floating charges over the stocks of new consignment, used and demonstrator vehicles held. Vehicle stocking loans are at floating rates with interest rates incurred based on a margin over Finance House Base Rate of between ½% and 3.25%.

Amounts due to Group undertakings are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

Included within other creditors is customer deposits of £45,312,290 (2022: £40,561,672).

### 18 Lease liabilities

	Total 2023 £'000
<b>Deemed liability</b>	
At 1 July 2022	18,784
Additions	1,998
Interest charge for the year	591
Lease payments	(2,622)
<b>At 30 June 2023</b>	<b>18,751</b>
Due in less than one year	1,277
Due after more than one year	17,474
<b>At 30 June 2023</b>	<b>18,751</b>

# H.R. Owen Dealerships Limited

## Notes to the financial statements for the for the year ended 30 June 2023 (continued)

### 19 Deferred tax

Deferred tax is calculated in full on timing differences under the liability method using a tax rate of 25% (2022: 25%).

	2023 £'000	2022 £'000
<b>Deferred tax asset/(liability)</b>		
Deferred tax comprises:		
Fixed asset temporary differences	(264)	(48)
Short term temporary differences	151	161
Capital gains	(31)	(31)
Defined benefit pension scheme	(1,611)	(1,184)
	(1,755)	(1,102)

Movement during the year:	<b>2023</b>
	<b>£'000</b>
1 July 2022	(1,102)
Amount charged to the Income Statement for the period	(289)
Amount charged to statement of total comprehensive	(364)
<b>30 June 2023</b>	<b>(1,755)</b>

At 30 June 2023 there is no unprovided deferred tax liability (2022: £Nil).

### 20 Provisions

During the year ended 30 June 2023, dilapidation cost provisions were provided for 3 (2022: 2) aftersales sites at School Road, Premier Park, London and Chiswell Garden, London.

	<b>£'000</b>
At 1 July 2022	2,345
Created in year	269
Utilised in year	(1,183)
	1,431

# H.R. Owen Dealerships Limited

## Notes to the financial statements for the for the year ended 30 June 2023 (continued)

### 21 Called up share capital

	2023 £'000	2022 £'000
<b>Allotted, called up and fully paid</b>		
10,000,000 ordinary shares of 25p each	2,500	2,500

### 22 Contingent liabilities

Barclays Bank Plc holds unlimited guarantees by the Company in respect of amounts owing by H.R. Owen Plc, the holding company, and its subsidiaries. At 30 June 2023 the total amount outstanding to Barclays Bank Plc by H.R. Owen Plc and its subsidiaries in respect of bank term loans, mortgages and overdrafts was £Nil (2022: £Nil).

The Company has provided bank guarantees to certain parties which totalled £1,977,000 as at 30 June 2023 (2022: £1,652,000). The split between the 2023 bank guarantees is detailed below:

- Ferrari: £258,000 (2022: £258,000)
- FGA Wholesale : £500,000 (2022: £500,000)
- Lamborghini: £1,160,000 (2022: £835,000)
- DVLA: £59,000 (2022: £59,000)

### 23 Pension obligations

#### Defined contribution schemes

Pension costs for the defined contribution schemes for the year ended 30 June 2023 totalled £102,068 (2022: £132,282). Contributions, both employer and employee, amounting to £41k (2022: £Nil) were outstanding at 30 June 2023.

#### Defined benefit scheme

The H.R. Owen London Defined Benefit Pension Scheme is a defined benefit pension scheme operated by H.R. Owen Dealerships Limited, a fellow subsidiary of H.R. Owen Plc, on a pre-funded basis. The funding policy is to contribute such variable amounts as, on the advice of the Scheme's actuary, will achieve a 100% funding level on a projected salary basis. Actuarial assessments covering expense and contributions are carried out triennially by independent qualified actuaries, with the last such review being carried out as at 5 April 2019. The Scheme was closed to future accrual during 2013.

Further details of the Group defined benefit scheme are disclosed in note 27 of the Group consolidated financial statements, which are available as disclosed in note 25 below.

At 30 June 2023 the scheme had a pension asset of £6,444,000 (2022: asset of £4,736,000).

# **H.R. Owen Dealerships Limited**

## **Notes to the financial statements for the for the year ended 30 June 2023 (continued)**

### **24 Related party transactions**

During the year to 30 June 2023, vehicle sales to directors and deposits received from directors totalled £3,142,314 (2022: £872,046). These transactions were conducted on an arm's length basis and under normal commercial terms and no amounts remained outstanding at 30 June 2023 (30 June 2022: £nil). Total deposits of £227,500 (2022: £781,476) are held at the balance sheet date in respect of future director's vehicle purchases.

### **25 Ultimate parent company and controlling party**

The immediate parent undertaking is H.R. Owen Plc, a company incorporated in England and Wales. The ultimate parent undertaking is Berjaya Corporation Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad, Malaysia.

The largest group in which the results of the company are consolidated is that headed by Berjaya Corporation Berhad, incorporated in Malaysia. The consolidated accounts are available to the public and may be obtained from The Company Secretary, Berjaya Corporation Berhad, Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur, Malaysia.

The smallest group in which they are consolidated is that headed by H.R. Owen Plc, incorporated in England and Wales. The consolidated accounts are available to the public and may be obtained from The Company Secretary, H.R. Owen Plc, Melton Court, Old Brompton Road, London, SW7 3TD.