

Company registration number 05192010 (England and Wales)

OWEN SPRINGS LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

FRIDAY



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OWEN SPRINGS LIMITED

COMPANY INFORMATION

Directors	D Grey MBE M Grey N Naylor N Berry (Appointed 25 April 2022)
Secretary	V Richardson
Company number	05192010
Registered office	c/o OSL Cutting Technologies Burgess Road Sheffield S9 3WD
Accountants	Hart Shaw LLP Europa Link Sheffield Business Park Sheffield S9 1XU
Business address	Aldwarke Terrace Aldwarke Road Parkgate Rotherham South Yorkshire S62 6BX

OWEN SPRINGS LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Statement of income and retained earnings	3
Balance sheet	4
Notes to the financial statements	5 - 11

OWEN SPRINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activities of the business are the manufacturing and factoring of Suspension Leaf Springs for Rail, HGV, LCV and Classic car Market, the manufacture of bespoke Spring Steel products and factoring of other related ancillary products.

Our products are produced and supplied, in the main, as ongoing maintenance replacement for the UK commercial vehicle car, Rail haulage and Heritage fleets with a small volume to New Build. We reach the end user directly and through a network of Automotive aftermarket Distributors, Parts Factors and Buying groups primarily in the U.K.

Fair review of the business

The business performed reasonably well throughout 2022, although sales revenue was slightly lower than previous year. This was due to ongoing financial constraints within Heritage Rail sector and push back of Bespoke specialist projects. Ongoing development of partnerships with influential buying groups and distributors across the Automotive aftermarket industry has continued to provide additional revenue streams and opportunity.

Continued development of infrastructure to enhance our offering resulted in the completion, in 2022, of the purpose-built Warehouse facility at our Rotherham site.

Overall turnover decreased from £3,786,000 in 2021 to £3,584,000 in 2022

Operating profit on continuing operations is £112,000 compared with £576,000 in 2021.

Operating profits were significantly impacted by turnover reduction, continued freight and transport issues and the associated costs, and general across the board inflationary increases in salaries, utilities and materials.

The Company is not dependent upon any single customer or supplier. The Company trades in foreign currencies, primarily the Euro and to a lesser extent the US Dollar. Exposure to currency fluctuation is managed centrally within the group.

Looking forward to the end of 2023, as I write this report, I can confirm that the majority of Special Steel Project work, pushed back in 2022, is now materialising in 2023 providing for strong performances to date and a healthy order book. The business continues to take measures to protect and enhance working capital. Cash remains positive and the Directors are very confident that the business will deliver profitability in line with expectations.

The Company is aware of its impact on the environment, and in all its activities considers the environmental impact of its decisions as it seeks to attain its business objectives. To this end accreditation to ISO 14001 was attained in January of this year. Our focus remains on manufacturing efficiencies.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D Grey MBE

M Grey

N Naylor

S Adams

G Swift

N Berry

(Appointed 9 February 2022 and resigned 24 August 2022)

(Appointed 9 February 2022 and resigned 18 January 2023)

(Appointed 25 April 2022)

OWEN SPRINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



M Grey
Director

7 June 2023

OWEN SPRINGS LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £'000	2021 £'000
Turnover	3	3,584	3,786
Cost of sales		(2,209)	(2,092)
Gross profit		1,375	1,694
Administrative expenses		(1,073)	(976)
Other operating income		-	33
Management charges		(190)	(175)
Operating profit		112	576
Interest receivable and similar income	5	14	-
Profit before taxation		126	576
Tax on profit	6	(19)	(112)
Profit for the financial year		107	464
Retained earnings brought forward		1,836	1,772
Dividends		(500)	(400)
Retained earnings carried forward		1,443	1,836

The profit and loss account has been prepared on the basis that all operations are continuing operations.

OWEN SPRINGS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £'000	2021 £'000
Fixed assets			
Tangible assets	7	260	109
Current assets			
Stocks	8	747	652
Debtors	9	935	604
Cash at bank and in hand		261	1,077
		<u>1,943</u>	<u>2,333</u>
Creditors: amounts falling due within one year	10	<u>(738)</u>	<u>(603)</u>
Net current assets		1,205	1,730
Total assets less current liabilities		1,465	1,839
Provisions for liabilities		(22)	(3)
Net assets		<u>1,443</u>	<u>1,836</u>
Capital and reserves			
Called up share capital	12	-	-
Profit and loss reserves		1,443	1,836
Total equity		<u>1,443</u>	<u>1,836</u>

For the financial year ended 31 December 2022 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

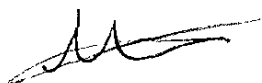
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the board of directors and authorised for issue on 7 June 2023 and are signed on its behalf by:

M Grey
Director



Company Registration No. 05192010

OWEN SPRINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Owen Springs Limited is a private company limited by shares incorporated in England and Wales. The registered office is Burgess Road, Attercliffe, Sheffield, S9 3WD.

The business address is Aldwarke Terrace, Aldwarke Road, Parkgate, Rotherham, South Yorkshire, S62 6BX. The company's registration number is 05192010.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared on the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Owen Springs Limited is a wholly owned subsidiary of OSL Group Holdings Limited and the results of Owen Springs Limited are included in the consolidated financial statements of OSL Group Holdings Limited which are available from Burgess Road, Attercliffe, Sheffield, S9 3WD.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	20-33% straight line
Plant and machinery	10-20% straight line
Fixtures, fittings & equipment	10-33% straight line
Motor vehicles	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

OWEN SPRINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Cost is calculated using the weighted average cost method. A provision is made for damaged, obsolete and slow-moving stock where appropriate.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

OWEN SPRINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.10 Employee benefits

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

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

OWEN SPRINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Stock provision

The company provides for slow and obsolete items of finished goods when stock in excess of 12 months supply is held, these goods are provided for in full.

3 Turnover and other revenue

In the year 5% (2021 - 6%) of the company's turnover was to markets outside of the United Kingdom.

4 Employees

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

	2022 Number	2021 Number
Total	27	25

5 Interest receivable and similar income

	2022 £'000	2021 £'000
Interest receivable and similar income includes the following:		
Interest receivable from group companies	14	-

OWEN SPRINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Taxation

	2022 £'000	2021 £'000
Current tax		
UK corporation tax on profits for the current period	-	110
Deferred tax		
Origination and reversal of timing differences	19	2
Total tax (credit)/charge	<u>19</u>	<u>112</u>

7 Tangible fixed assets

	Land and buildings £'000	Plant and machinery etc £'000	Total £'000
Cost			
At 1 January 2022	49	581	630
Additions	184	14	198
Disposals	-	(12)	(12)
At 31 December 2022	<u>233</u>	<u>583</u>	<u>816</u>
Depreciation and impairment			
At 1 January 2022	24	497	521
Depreciation charged in the year	6	41	47
Eliminated in respect of disposals	-	(12)	(12)
At 31 December 2022	<u>30</u>	<u>526</u>	<u>556</u>
Carrying amount			
At 31 December 2022	<u>203</u>	<u>57</u>	<u>260</u>
At 31 December 2021	<u>25</u>	<u>84</u>	<u>109</u>

8 Stocks

	2022 £'000	2021 £'000
Raw materials and consumables	261	299
Work in progress	13	22
Finished goods and goods for resale	473	331
	<u>747</u>	<u>652</u>

OWEN SPRINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

9 Debtors

	2022 £'000	2021 £'000
Amounts falling due within one year:		
Trade debtors	417	570
Corporation tax recoverable	17	-
Amounts owed by group undertakings	470	-
Prepayments and accrued income	31	34
	<u>935</u>	<u>604</u>

Included in trade debtors is an amount of £399,000 (2021 - £579,000), which is subject to an invoice discount agreement.

10 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Loans and overdrafts	300	-
Trade creditors	289	360
Corporation tax	-	61
Other taxation and social security	29	84
Other creditors	4	3
Accruals and deferred income	116	95
	<u>738</u>	<u>603</u>

Included in bank loans and overdrafts is £300,000 (2021 - £nil) which is an advance under invoice discounting and is secured on trade debtors.

11 Deferred taxation

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

	Liabilities 2022 £'000	Liabilities 2021 £'000
Balances:		
Accelerated capital allowances	<u>22</u>	<u>3</u>
Movements in the year:		2022 £'000
Liability at 1 January 2022		3
Charge to profit or loss		19
Liability at 31 December 2022		<u>22</u>

OWEN SPRINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Called up share capital

	2022	2021
	£	£
Allotted, issued and fully paid		
1 Ordinary share of £1	1	1

13 Financial commitments, guarantees and contingent liabilities

The company has given an unlimited cross guarantee in favour of Barclays, in respect of bank borrowings of fellow group companies. The outstanding borrowings of these companies at 31 December 2022 were £6,383,000 (2021 - £2,063,000).

14 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2022	2021
	£'000	£'000
Within one year	87	85
Between two and five years	171	230
	<u>258</u>	<u>315</u>

15 Parent company

The ultimate parent company is OSL Group Holdings Limited, a company registered in England & Wales, who prepare group consolidated accounts. Its registered office is Burgess Road, Attercliffe, Sheffield, S9 3WD.

The ultimate controlling party is D Grey MBE who owns a majority shareholding in OSL Group Holdings Limited.