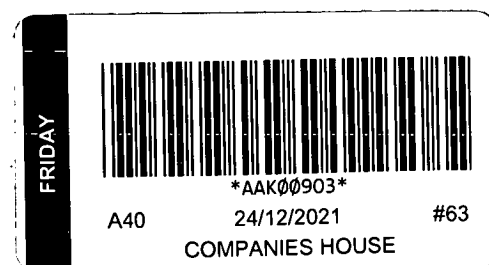


Registration number: 09223668

MONMOUTHSHIRE XPRESS GROUP LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



MONMOUTHSHIRE XPRESS GROUP LIMITED

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MONMOUTHSHIRE XPRESS GROUP LIMITED

COMPANY INFORMATION

Directors	Mr J Howells Mrs J A Howells
Registered office	Lake Road Leeway Industrial Estate Newport South Wales NP19 4WN
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

MONMOUTHSHIRE XPRESS GROUP LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their strategic report for the year ended 31 March 2021.

Principal activity

The principal activity of the company is that of a holding company. The principal activity of the group is that of heavy haulage transport.

Fair review of the business

The results for the year which are set out in the profit and loss account show turnover of £25,527,546 (2020 - £27,011,539) and an operating profit of £1,486,570 (2020 - £964,188). At 31 March 2021 the group had net assets of £3,047,266 (2020 - £2,325,872). The directors consider the performance for the year and the financial position at the year end to be satisfactory.

The group uses a number of indicators to monitor and improve the development, performance and the position of the business. Indicators are reviewed and altered to meet changes in both the internal and external environments. The key performance indicators are turnover and operating profit, both of which are shown on the face of the profit and loss account.

Principal risks and uncertainties

The management of the business and the execution of the group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the group are considered below:

Risk of loss of customers:

This is mitigated by short term vehicle hire by which the group can react to any drop in turnover and back to back leases on premises and contracts.

Risk of increasing fuel prices:

In the transport industry, there is always a risk of increasing fuel prices. This is mitigated by including fuel escalators on contracts and continuous review of alternate fuel providers.

Risk of shortage of drivers:

The risk of shortage of drivers is mitigated by greater investments in the MCL driving academy to train new drivers.

Financial instruments

The group's principal financial instruments comprise: bank accounts, trade debtors, invoice discounting, trade creditors and lease facilities. The purpose of these instruments is to raise funds and finance the group's operations. Due to the nature of the financial instruments used by the group there is no exposure to price risk. The group's approach to managing other risks applicable to the financial instruments is shown below:


In respect of bank balances the liquidity risk is managed by ensuring working capital requirements are continually monitored and through use of the flexible invoice discounting facility.

The group has finance lease facilities with fixed monthly payments. The group manages the liquidity risk by ensuring there are sufficient funds to meet the repayments.

Trade debtors are managed in respect of credit and cash flow risk by internal policies concerning the credit offered to customers and regular monitoring of amounts outstanding.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet obligations as they fall due.

Approved by the Board on 23/12/2021 and signed on its behalf by:



Mr J Howells
Director

MONMOUTHSHIRE XPRESS GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report and the consolidated financial statements for the year ended 31 March 2021.

Directors of the company

The directors who held office during the year were as follows:

Mr J Howells

Mrs J A Howells

Going concern

The directors have considered the ability of the company and group to continue in operational existence for the foreseeable future as well as the relevant business and financial risks. In doing this, they have considered the group's business activities, together with factors likely to affect its future development, performance and position, and consider that there are sufficient facilities available to the company to meet its liabilities. On this basis the directors have a reasonable expectation that the company and group have adequate resources to continue in operational existence for the foreseeable future.

The company and group therefore continues to adopt the going concern basis in preparing its financial statements.


Disclosure of information to the auditor

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

The auditors Hazlewoods LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on ^{23/12/2021}..... and signed on its behalf by:



.....
Mr J Howells
Director

MONMOUTHSHIRE XPRESS GROUP LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MONMOUTHSHIRE XPRESS GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MONMOUTHSHIRE XPRESS GROUP LIMITED

Opinion

We have audited the financial statements of Monmouthshire Xpress Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

MONMOUTHSHIRE XPRESS GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MONMOUTHSHIRE XPRESS GROUP LIMITED

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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 obtained an understanding of the legal and regulatory frameworks applicable to the company financial statements or that had a fundamental effect on the operations of the company. We determined that the most significant laws and regulations included UK GAAP, UK Companies Act 2006, and taxation laws and we considered the extent to which non-compliance might have a material effect on the financial statements;

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included, but were not limited to:

- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout the audit;
- identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- challenging assumptions and judgements made by management in its significant accounting estimates; and
- identifying and testing journal entries, in particular any journal entries with unusual characteristics.

MONMOUTHSHIRE XPRESS GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MONMOUTHSHIRE XPRESS GROUP LIMITED

Our audit procedures in relation to fraud included, but were not limited to:

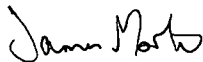
- making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

We consider that our procedures are sufficient to detect irregularities, including fraud, although they are not designed specifically for the detection of irregularities. The primary responsibility for the prevention and detection of irregularities, including fraud, rests with both those charged with governance and management. As with any audit, there remains a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities is available 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.



James Morter (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

23/12/2021
Date:.....

MONMOUTHSHIRE XPRESS GROUP LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Turnover	3	25,527,546	27,011,539
Cost of sales		<u>(20,025,523)</u>	<u>(21,915,644)</u>
Gross profit		5,502,023	5,095,895
Administrative expenses		(4,423,719)	(4,131,707)
Other operating income	4	<u>408,266</u>	<u>-</u>
Operating profit	5	1,486,570	964,188
Interest payable and similar charges	6	<u>(195,461)</u>	<u>(283,779)</u>
Profit before tax		1,291,109	680,409
Taxation	10	<u>(254,598)</u>	<u>(137,371)</u>
Profit for the financial year		<u>1,036,511</u>	<u>543,038</u>
Profit/(loss) attributable to:			
Owners of the company		805,734	520,288
Minority interests		<u>230,777</u>	<u>22,750</u>
		<u>1,036,511</u>	<u>543,038</u>

The above results were derived from continuing operations.

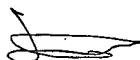
The group has no other comprehensive income for the year.

The notes on pages 14 to 29 form an integral part of these financial statements.

MONMOUTHSHIRE XPRESS GROUP LIMITED**(REGISTRATION NUMBER: 09223668)****CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	11	30,249	40,332
Tangible assets	12	<u>9,543,801</u>	<u>7,200,969</u>
		<u>9,574,050</u>	<u>7,241,301</u>
Current assets			
Stocks	14	70,786	85,148
Debtors	15	6,015,126	6,725,706
Cash at bank and in hand		<u>551,549</u>	<u>297,357</u>
		6,637,461	7,108,211
Creditors: Amounts falling due within one year	16	<u>(8,434,017)</u>	<u>(8,585,676)</u>
Net current liabilities		<u>(1,796,556)</u>	<u>(1,477,465)</u>
Total assets less current liabilities		7,777,494	5,763,836
Creditors: Amounts falling due after more than one year	16	(4,189,228)	(3,143,376)
Provisions for liabilities	10	<u>(541,000)</u>	<u>(294,588)</u>
Net assets		<u>3,047,266</u>	<u>2,325,872</u>
Capital and reserves			
Called up share capital	19	100	100
Profit and loss account	20	<u>2,757,765</u>	<u>2,274,543</u>
Equity attributable to owners of the company		2,757,865	2,274,643
Minority interests		<u>289,401</u>	<u>51,229</u>
Total equity		<u>3,047,266</u>	<u>2,325,872</u>

Approved and authorised by the Board on 23/12/2021 and signed on its behalf by:



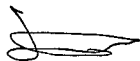
Mr J Howells
Director

MONMOUTHSHIRE XPRESS GROUP LIMITED**(REGISTRATION NUMBER: 09223668)
BALANCE SHEET AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	3,377,601	2,935,864
Investments	13	<u>370</u>	<u>370</u>
		<u>3,377,971</u>	<u>2,936,234</u>
Current assets			
Debtors	15	420	406
Cash at bank and in hand		<u>25,792</u>	<u>487</u>
		26,212	893
Creditors: Amounts falling due within one year	16	<u>(1,152,430)</u>	<u>(856,291)</u>
Net current liabilities		<u>(1,126,218)</u>	<u>(855,398)</u>
Total assets less current liabilities		2,251,753	2,080,836
Creditors: Amounts falling due after more than one year	16	(1,984,760)	(1,722,787)
Provisions for liabilities	10	<u>-</u>	<u>(2,535)</u>
Net assets		<u>266,993</u>	<u>355,514</u>
Capital and reserves			
Called up share capital	19	100	100
Profit and loss account		<u>266,893</u>	<u>355,414</u>
Total equity		<u>266,993</u>	<u>355,514</u>

The company made a profit after tax for the financial year of £112,456 (2020 - profit of £99,308).

Approved and authorised by the Board on ^{23/12/2021} and signed on its behalf by:



.....
Mr J Howells
Director

The notes on pages 14 to 29 form an integral part of these financial statements.

MONMOUTHSHIRE XPRESS GROUP LIMITED**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021**
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY

	Share capital £	Profit and loss account £	Total £	Non- controlling interests £	Total equity £
At 1 April 2019	100	2,013,935	2,014,035	41,012	2,055,047
Profit for the year	-	520,288	520,288	22,750	543,038
Dividends	-	(259,680)	(259,680)	(12,533)	(272,213)
At 31 March 2020	100	2,274,543	2,274,643	51,229	2,325,872

	Share capital £	Profit and loss account £	Total £	Non- controlling interests £	Total equity £
At 1 April 2020	100	2,274,543	2,274,643	51,229	2,325,872
Transfer of NCI	-	(121,535)	(121,535)	121,535	-
At 1 April 2020	100	2,153,008	2,153,108	172,764	2,325,872
Profit for the year	-	805,734	805,734	230,777	1,036,511
Dividends	-	(200,977)	(200,977)	(114,140)	(315,117)
At 31 March 2021	100	2,757,765	2,757,865	289,401	3,047,266

The notes on pages 14 to 29 form an integral part of these financial statements.

MONMOUTHSHIRE XPRESS GROUP LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021**

	Share capital £	Profit and loss account £	Total £
At 1 April 2019	100	439,106	439,206
Profit for the year	-	99,308	99,308
Dividends	-	(183,000)	(183,000)
At 31 March 2020	<u>100</u>	<u>355,414</u>	<u>355,514</u>

	Share capital £	Profit and loss account £	Total £
At 1 April 2020	100	355,414	355,514
Profit for the year	-	112,456	112,456
Dividends	-	(200,977)	(200,977)
At 31 March 2021	<u>100</u>	<u>266,893</u>	<u>266,993</u>

The notes on pages 14 to 29 form an integral part of these financial statements.

MONMOUTHSHIRE XPRESS GROUP LIMITED**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Cash flows from operating activities			
Profit for the year		1,036,511	543,038
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	1,325,798	1,265,808
Loss/(profit) on disposal of tangible assets		85,547	(88,599)
Finance income		-	1,485
Finance costs	6	195,461	283,779
Income tax expense	10	480,458	137,371
		<u>3,123,775</u>	<u>2,142,882</u>
Working capital adjustments			
Decrease/(increase) in stocks	14	14,362	(7,863)
Decrease/(increase) in trade debtors	15	710,580	(708,723)
(Decrease)/increase in trade creditors	16	(1,569,270)	788,755
Cash generated from operations		<u>2,279,447</u>	<u>2,215,051</u>
Income taxes paid	10	<u>(168,703)</u>	<u>(547,474)</u>
Net cash flow from operating activities		<u>2,110,744</u>	<u>1,667,577</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(1,014,304)	(52,508)
Proceeds from sale of tangible assets		-	157,048
Dividend income		-	(1,485)
Acquisition of investments in joint ventures and associates	13	-	6,289
Net cash flows from investing activities		<u>(1,014,304)</u>	<u>109,344</u>
Cash flows from financing activities			
Interest paid		(195,461)	-
Proceeds from bank borrowing draw downs		434,000	180,000
Repayment of bank borrowing		(84,543)	(229,529)
Repayment of of lease liabilities		(681,127)	-
Payments to finance lease creditors		-	(1,322,650)
Dividends paid		<u>(315,117)</u>	<u>(259,680)</u>
Net cash flows from financing activities		<u>(842,248)</u>	<u>(1,631,859)</u>
Net increase in cash and cash equivalents		254,192	145,062
Cash and cash equivalents at 1 April		<u>297,357</u>	<u>152,295</u>
Cash and cash equivalents at 31 March		<u>551,549</u>	<u>297,357</u>

The notes on pages 14 to 29 form an integral part of these financial statements.

MONMOUTHSHIRE XPRESS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Lake Road
Leeway Industrial Estate
Newport
South Wales
NP19 4WN

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2021.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

MONMOUTHSHIRE XPRESS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Going concern

After reviewing the company's current financial position, together with factors likely to affect its future development, performance and position, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Critical accounting 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 amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

No significant judgements have been made by management in preparing these financial statements.

Key sources of estimation uncertainty

No key sources of estimation uncertainty have been identified by management in preparing these financial statements other than those detailed in these accounting policies.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The group recognises revenue when:

- The amount of revenue can be reliably measured;
- It is probable that future economic benefits will flow to the entity;
- and specific criteria have been met for each of the group's activities.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

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

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

MONMOUTHSHIRE XPRESS GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the group. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Goodwill

Goodwill is amortised over its useful life, which shall not exceed five years if a reliable estimate of the useful life cannot be made.

Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Negative goodwill arising on an acquisition is recognised on the face of the balance sheet on the acquisition date and subsequently the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	20% straight line

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold property	2% on buildings
Plant and machinery	10% to 50%
Equipment	20% to 33%

Investment

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

MONMOUTHSHIRE XPRESS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Trade debtors are amounts due from customers for goods sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the debtors.

Inventories

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

MONMOUTHSHIRE XPRESS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

MONMOUTHSHIRE XPRESS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Impairment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

MONMOUTHSHIRE XPRESS GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****3 Revenue**

The analysis of the group's revenue for the year from continuing operations is as follows:

	2021	2020
	£	£
Sale of goods and services	<u>25,527,546</u>	<u>27,011,539</u>

The analysis of the group's turnover for the year by market is as follows:

	2021	2020
	£	£
UK	21,880,165	23,535,596
Europe	<u>3,647,381</u>	<u>3,475,943</u>
	<u>25,527,546</u>	<u>27,011,539</u>

4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2021	2020
	£	£
Government grants	379,980	-
Miscellaneous other operating income	<u>28,286</u>	<u>-</u>
	<u>408,266</u>	<u>-</u>

The company received grants in relation to the Coronavirus Job Retention Scheme (CJRS) which are accounted under the accrual model as revenue grants. £379,980 (2020 - £nil) was credited to the profit and loss account in relation to this grant.

The company did not directly or indirectly benefit from any other forms of government assistance.

5 Operating profit

Arrived at after charging/(crediting)

	2021	2020
	£	£
Depreciation expense	1,315,715	1,255,725
Amortisation expense	10,083	10,083
Impairment of trade debtors	77,948	25,648
Foreign exchange losses	243	16,361
Operating lease expense - property	269,773	332,322
Operating lease expense - plant and machinery	33,526	46,407
Loss/(profit) on disposal of property, plant and equipment	<u>85,547</u>	<u>(88,599)</u>

MONMOUTHSHIRE XPRESS GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****6 Interest payable and similar expenses**

	2021	2020
	£	£
Interest on bank overdrafts and borrowings	15,092	57,119
Interest on obligations under finance leases and hire purchase contracts	115,463	153,083
Interest expense on other finance liabilities	64,906	73,577
	<u>195,461</u>	<u>283,779</u>

7 Staff costs**Group**

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021	2020
	£	£
Wages and salaries	5,865,596	7,296,783
Social security costs	484,819	634,795
Pension costs, defined contribution scheme	151,002	165,662
	<u>6,501,417</u>	<u>8,097,240</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2021	2020
	No.	No.
Production	133	167
Administration	40	37
Management	6	4
	<u>179</u>	<u>208</u>

Company

The company incurred no staff costs and had no employees other than the directors.

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021	2020
	£	£
Remuneration	15,228	23,846
Contributions paid to money purchase schemes	26,951	26,096
	<u>42,179</u>	<u>49,942</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2021	2020
	No.	No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

9 Auditors' remuneration

	2021	2020
	£	£
Audit of these financial statements	<u>28,100</u>	<u>24,000</u>

MONMOUTHSHIRE XPRESS GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****10 Taxation**

Tax charged/(credited) in the profit and loss account

	2021 £	2020 £
Current taxation		
UK corporation tax	69,264	56,987
UK corporation tax adjustment to prior periods	<u>(9,169)</u>	<u>(45,005)</u>
	60,095	11,982
Deferred taxation		
Arising from origination and reversal of timing differences	<u>194,503</u>	<u>125,389</u>
Tax expense in the income statement	<u><u>254,598</u></u>	<u><u>137,371</u></u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Profit before tax	<u>1,291,109</u>	<u>680,409</u>
Corporation tax at standard rate	245,475	129,278
Effect of expense not deductible in determining taxable profit (tax loss)	11,224	20,367
Effect of tax losses	-	(1,713)
Effect of changes in tax rates	-	20,762
Accounting adjustments and transfers	(10,041)	-
Adjustment for prior periods	2,350	(45,005)
Effect of capital allowances and depreciation	5,590	13,682
Group relief claimed	(34,241)	-
Group relief surrendered	<u>34,241</u>	<u>-</u>
Total tax charge	<u><u>254,598</u></u>	<u><u>137,371</u></u>

Deferred tax**Group**

Deferred tax assets and liabilities

2021	Liability £
Accelerated capital allowances	769,861
Short term timing differences	(256,349)
Losses	<u>(3,152)</u>
	<u><u>510,360</u></u>

MONMOUTHSHIRE XPRESS GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

	Liability £
2020	
Accelerated capital allowances	312,690
Short term timing differences	(18,102)
Losses	-
	<u>294,588</u>

Company

Deferred tax assets and liabilities

	Liability £
2021	
Accelerated capital allowances	4,840
Provisions	-
	<u>4,840</u>

	Liability £
2020	
Accelerated capital allowances	2,535
Provisions	-
	<u>2,535</u>

11 Intangible assets**Group**

	Goodwill £
Cost	
At 1 April 2020 and at 31 March 2021	95,861
Amortisation	
At 1 April 2020	55,529
Amortisation charge	10,083
At 31 March 2021	<u>65,612</u>
Carrying amount	
At 31 March 2021	<u>30,249</u>
At 31 March 2020	<u>40,332</u>

MONMOUTHSHIRE XPRESS GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****12 Tangible assets****Group**

	Land and buildings £	Plant and machinery £	Equipment £	Total £
Cost				
At 1 April 2020	3,002,531	9,786,167	180,236	12,968,934
Additions	471,160	3,245,873	27,061	3,744,094
Disposals	-	(1,726,634)	-	(1,726,634)
At 31 March 2021	<u>3,473,691</u>	<u>11,305,406</u>	<u>207,297</u>	<u>14,986,394</u>
Depreciation				
At 1 April 2020	66,667	5,589,899	111,400	5,767,966
Charge for the year	29,423	1,273,419	12,873	1,315,715
Eliminated on disposal	-	(1,641,088)	-	(1,641,088)
At 31 March 2021	<u>96,090</u>	<u>5,222,230</u>	<u>124,273</u>	<u>5,442,593</u>
Carrying amount				
At 31 March 2021	<u>3,377,601</u>	<u>6,083,176</u>	<u>83,024</u>	<u>9,543,801</u>
At 31 March 2020	<u>2,935,865</u>	<u>4,196,268</u>	<u>68,836</u>	<u>7,200,969</u>

Company

	Land and buildings £
Cost	
At 1 April 2020	3,002,531
Additions	<u>471,160</u>
At 31 March 2021	<u>3,473,691</u>
Depreciation	
At 1 April 2020	66,667
Charge for the year	<u>29,423</u>
At 31 March 2021	<u>96,090</u>
Carrying amount	
At 31 March 2021	<u>3,377,601</u>
At 31 March 2020	<u>2,935,864</u>

Included within the net book value of land and buildings above is £3,377,601 (2020 - £2,935,864) in respect of freehold land and buildings.

Group and company tangible assets with a carrying value of £3,377,601 (2020: £2,935,865) are pledged as security for the group's bank loan.

MONMOUTHSHIRE XPRESS GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****Assets held under finance leases and hire purchase contracts**

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2021 £	2020 £
Plant and machinery	<u>4,650,916</u>	<u>3,222,271</u>

The company has no tangible assets held under finance lease or hire purchase agreements.

13 Investments

The group has no investments

Company

	2021 £	2020 £
Investments in subsidiaries	<u>370</u>	<u>370</u>

Subsidiaries

£

Cost

At 1 April 2020 and 31 March 2021

370

Carrying amount

At 31 March 2020 and 31 March 2021

370

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Holding	Proportion of voting rights and shares held	
		2021	2020
Subsidiary undertakings			
Monex Cranes Limited	Ordinary	90%	90%
Severn Trading Limited	Ordinary	60%	80%
Pike Logistics Limited	Ordinary	80%	80%
Fox Heavy Haulage Limited	Ordinary	90%	90%
MCL Distribution Limited	Ordinary	90%	90%

MONMOUTHSHIRE XPRESS GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****Subsidiary undertakings***Monex Cranes Limited*

The principal activity of Monex Cranes Limited is the that of a road haulier.

Severn Trading Limited

The principal activity of Severn Trading Limited is the Installation of modular buildings.

Pike Logistics Limited

The principal activity of Pike Logistics Limited is the that of a road haulier.

Fox Heavy Haulage Limited

The principal activity of Fox Heavy Haulage Limited is the that of a road haulier.

MCL Distribution Limited

The principal activity of MCL Distribution Limited is the Supply and installation of modular buildings.

14 Stocks

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Raw materials and consumables	<u>70,786</u>	<u>85,148</u>	<u>-</u>	<u>-</u>

15 Debtors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	5,652,583	6,326,621	-	-
Other debtors	96,593	14,983	420	330
Corporation tax recoverable	-	-	-	76
Prepayments	<u>265,950</u>	<u>384,102</u>	<u>-</u>	<u>-</u>
Total current trade and other debtors	<u>6,015,126</u>	<u>6,725,706</u>	<u>420</u>	<u>406</u>

MONMOUTHSHIRE XPRESS GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****16 Creditors**

		Group		Company	
	Note	2021	2020	2021	2020
		£	£	£	£
Due within one year					
Loans and borrowings	17	2,460,308	1,108,364	211,426	173,942
Trade creditors		2,306,257	2,301,167	-	1,980
Amounts due to related parties	24	-	-	932,838	585,089
Social security and other taxes		625,003	1,017,453	-	-
Other creditors		2,584,356	3,722,927	-	90,280
Accrued expenses		388,813	431,828	4,402	5,000
Corporation tax liability	10	69,280	3,937	3,764	-
		<u>8,434,017</u>	<u>8,585,676</u>	<u>1,152,430</u>	<u>856,291</u>
Due after one year					
Loans and borrowings	17	<u>4,189,228</u>	<u>3,143,376</u>	<u>1,984,760</u>	<u>1,722,787</u>

Included within other creditors is an invoice discounting facility liability of £1,804,987 (2020: £3,374,179) secured on debtors.

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

17 Loans and borrowings

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Current loans and borrowings				
Bank borrowings	217,260	173,942	211,426	173,942
Hire purchase contracts	2,242,418	933,468	-	-
Other borrowings	630	954	-	-
	<u>2,460,308</u>	<u>1,108,364</u>	<u>211,426</u>	<u>173,942</u>

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Non-current loans and borrowings				
Bank borrowings	2,028,926	1,722,787	1,984,760	1,722,787
Hire purchase contracts	<u>2,160,302</u>	<u>1,420,589</u>	<u>-</u>	<u>-</u>
	<u>4,189,228</u>	<u>3,143,376</u>	<u>1,984,760</u>	<u>1,722,787</u>

MONMOUTHSHIRE XPRESS GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****18 Pension and other schemes****Defined contribution pension scheme**

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £151,002 (2020 - £165,662).

19 Share capital**Allotted, called up and fully paid shares**

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

20 Reserves**Group****Called up share capital**

This represents the nominal value of the issued share capital of the company.

Retained earnings

This represents the cumulative profits or losses, net of dividends paid and other adjustments.

21 Obligations under leases**Group****Operating leases**

The total of future minimum lease payments is as follows:

	2021	2020
	£	£
Not later than one year	332,530	649,564
Later than one year and not later than five years	<u>112,340</u>	<u>481,242</u>
	<u>444,870</u>	<u>1,130,806</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £303,299 (2020 - £1,034,203).

22 Dividends

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

	2021	2020
	£	£
Dividends paid	<u>200,977</u>	<u>259,680</u>

MONMOUTHSHIRE XPRESS GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****23 Analysis of changes in net debt****Group**

	At 1 April 2020 £	Cash flows £	Other non-cash changes £	At 31 March 2021 £
Cash and cash equivalents				
Cash	297,357	254,192	-	551,549
Borrowings				
Bank borrowings	1,896,729	349,457	-	2,246,186
Lease liabilities	2,354,057	(681,127)	2,729,790	4,402,720
	<u>4,250,786</u>	<u>(331,670)</u>	<u>2,729,790</u>	<u>6,648,906</u>
	<u>4,548,143</u>	<u>(77,478)</u>	<u>2,729,790</u>	<u>7,200,455</u>

24 Related party transactions**Group**

The group was under the control of Mr J Howells and Mrs J Howells throughout the current and previous year.

Company**Summary of transactions with key management**

Key management personnel are considered to be the directors of the company and key management personnel compensation is disclosed in note 8 and 9 to the financial statements.

	At 1 April 2019 £	Advances to directors £	Repayments by director £	At 31 March 2020 £
2020				
Mr J Howells				
Mr J Howells	<u>835</u>	<u>18,714</u>	<u>(19,549)</u>	<u>-</u>

In accordance with the exception afforded by FRS 102, there is no disclosure in the accounts of transactions with entities that are wholly owned subsidiaries of the company. Within note 17, the amount is owed to non-wholly owned subsidiaries.