

GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTOR AND
AUDITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021
FOR
DRIVE FURTHER LIMITED

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FOR THE YEAR ENDED 31ST DECEMBER 2021

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DRIVE FURTHER LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2021

DIRECTOR: N D Garner

SECRETARY: S A Garner

REGISTERED OFFICE: No 1 Lakeside
Cheadle Royal Business Park
Cheadle
Cheshire
SK8 3GW

REGISTERED NUMBER: 08197723 (England and Wales)

AUDITORS: Allens Accountants Limited
Statutory Auditor and
Chartered Accountants
123 Wellington Road South
Stockport
Cheshire
SK1 3TH

BANKERS: Barclays Bank plc
1st Floor
3 Hardman Street
Spinningfields
Manchester
M3 3HF

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2021

The director presents his strategic report of the company and the group for the year ended 31st December 2021.

REVIEW OF BUSINESS

The group has 3 main trading subsidiaries. MSL is a specialist provider of legal expenses and general insurance products along with associated claims handling services. Dualdrive provides vehicle solutions for niche markets including driving instructors. Supportis provides employment law and health and safety solutions for small and medium sized businesses.

The group continued to operate within COVID government guidelines with a home working environment during the first half of the year before gravitating to a hybrid working model in the second half, with colleagues now working at least 50% of the time in the office.

The impact of the pandemic continued during the first half of the year due primarily to the significant reduction of traffic on the roads leading to fewer accidents, culminating in a fall of 7.4% in income to £6.4m (2020: £6.9m).

Administrative expenses reduced by 17.6% to £5.9m (2020: £7.2m), resulting in a profit before tax of the continuing operations of £381k (2020: Loss £107k), which is an increase in profit of £488k.

As anticipated, the implementation of the Civil Liability Act 2018 ("CLA") on 31 May 2021 (see Regulatory Risk section below for further information) resulted in a reduction in the volume and value of minor personal injury 'whiplash' claims with BTE legal expenses policies now including cover for these and the premiums being adjusted accordingly.

The consolidated balance sheet shareholders' funds have increased by 12.8% to £1.5m (2010: £1.35m).

Turning to the consolidated cash flow statement, the group generated £1.3m cash from operations during the year (2020: £1.6m).

Colleague levels within the continuing group are continually reviewed to ensure maximum efficiency whilst maintaining high levels of customer service and the average colleague numbers were 73 (2020: 87).

The group continues to focus on key areas of income generation and cost control. While, as detailed below, the COVID-19 pandemic and related factors have stalled growth plans for the early part of 2021, the group has resumed a pattern of growth in the business as market conditions allow in 2022.

Finally, we would like to thank our customers and colleagues for their ongoing support of the business and their contribution towards its success.

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2021

PRINCIPAL RISKS AND UNCERTAINTIES

Reserving risk

The group's approach to reserving is based on regular evaluations of historical claims development by type of risk and by major business partner. Previous patterns are used to evaluate expected ultimate claims costs and account profitability with closer monitoring of newer products and partners or those where recent historical patterns give cause for concern. Reserving rates are reviewed regularly by the Board and adjusted as necessary to ensure reserve adequacy.

Credit risk

The risks considered are that a bank or other counterparty defaults on amounts held for or due to the group. The group's exposure to credit risk has been assessed in the context of the credit worthiness of the relevant counterparties and is controlled and managed accordingly. The group's debtor balances are analysed and reviewed on a monthly basis and the outstanding debt due has increased in line with management expectation.

Liquidity risk

Liquidity is not a significant risk to the group; and cash flow projections indicate an expectation that the group can continue to operate within its available banking facilities.

Regulatory risk

The government has introduced the Civil Liability Act, which was implemented on 31st May 2021 and is designed to disincentivise minor, potentially exaggerated and fraudulent Road Traffic Accident related whiplash claims by:

1. the introduction of a tariff of fixed compensation for pain, suffering and loss of amenity for claims with an injury duration of between 0 and 24 months;
2. providing the judiciary with the facility to both decrease the amount awarded under the tariff in cases where there may be contributory negligence or to increase the award (with increases capped at no more than 20%) in exceptional circumstances;
3. introducing a ban on both the offering, payment and requesting of offers to settle claims without medical evidence; and
4. increasing the small claims limit for Road Traffic Accident related personal injury claims to £5,000.

The changes will have a significant and material effect in relation to the group's Road Traffic Accident business. The group has been aware of and recognised, for some considerable time, this emerging risk and consequently, in line with its strategic direction, has implemented revised commercial terms with all relevant business partners, which are currently operating in line with forecasts and are continually monitored closely.

FINANCIAL KEY PERFORMANCE INDICATORS

The group income reduced for the year by 7.4% to £6.4m (2020: £6.9m). The group has not lost any major existing clients with the reduction in income being largely due to reduced volumes of road traffic accident claims because of the COVID-19 pandemic.

The profit for the year after taxation but before dividends was £322k (2020: Loss £103k).

The shareholders' funds of the group were £1.5m at 31 December 2021 (2020: £1.3m).

The increase in cash in the year was £143k (2020: Reduced £388k).

OTHER KEY PERFORMANCE INDICATORS

There were 587 vehicles on fleet at 31 December 2021 (2020: 592).

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2021

FUTURE DEVELOPMENTS & GOING CONCERN

The financial statements for the group are prepared on a going concern basis in accordance with UK Generally Accepted Accounting Standards.

The Board remain alive to further disruption arising from the COVID-19 pandemic but is cautiously optimistic we are now over the worst and is pleased that the group met its COVID adjusted budgeted profit target in the year.

As noted above The Civil Liability Act has now been implemented effective 31 May 2021. The group will continue to develop new products and strategies in order to ensure that it is well placed to overcome the challenges posed by the CLA. The group's most recent financial forecasts (including the budget for 2022) account for the impact of the CLA and the group is currently on track to deliver budgeted profit in 2022.

Other than the implementation of the CLA, which the Board believes does not constitute an adjusting event, the Board is not aware of any other material post-balance sheet events.

ON BEHALF OF THE BOARD:

N D Garner - Director

23rd September 2022

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31ST DECEMBER 2021

The director presents his report with the financial statements of the company and the group for the year ended 31st December 2021.

PRINCIPAL ACTIVITIES

The principal activity of the group is the provision of legal expenses insurance, claims handling, including first notification of loss, personal injury, medical reporting, rehabilitation, credit hire, credit repair and uninsured loss recovery. The group also provides vehicle solutions for driving instructors and employment law solutions for small and medium sized enterprises.

DIVIDENDS

The total distribution of dividends for the year ended 31st December 2021 will be £150,000.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTOR

N D Garner held office during the whole of the period from 1st January 2021 to the date of this report.

DISCLOSURE IN THE STRATEGIC REPORT

The company has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the group's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of future developments and financial risk management.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Group Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he 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 group's auditors are aware of that information.

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31ST DECEMBER 2021

AUDITORS

The auditors, Allens Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

N D Garner - Director

23rd September 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DRIVE FURTHER LIMITED

Opinion

We have audited the financial statements of Drive Further Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31st December 2021 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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 of the parent company affairs as at 31st December 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DRIVE FURTHER LIMITED

Matters on which we are required to report by exception

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

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page five, the director is 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 director determines 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 director is 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 director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DRIVE FURTHER LIMITED

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for the directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management and the board of directors about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

Audit response to risks identified

Our procedure to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and the board of directors concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DRIVE FURTHER LIMITED

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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

Paul Wright (Senior Statutory Auditor)
for and on behalf of Allens Accountants Limited
Statutory Auditor and
Chartered Accountants
123 Wellington Road South
Stockport
Cheshire
SK1 3TH

23rd September 2022

CONSOLIDATED
STATEMENT OF COMPREHENSIVE
INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2021

	Notes	2021 £	2020 £
TURNOVER	3	6,369,566	6,878,277
Administrative expenses		<u>5,938,385</u>	<u>7,204,994</u>
		431,181	(326,717)
Other operating income	4	<u>127,740</u>	413,930
OPERATING PROFIT	6	558,921	87,213
Interest receivable and similar income	7	<u>24,706</u>	54
		583,627	87,267
Interest payable and similar expenses	8	<u>202,902</u>	194,431
PROFIT/(LOSS) BEFORE TAXATION		380,725	(107,164)
Tax on profit/(loss)	9	<u>58,893</u>	(4,379)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		321,832	(102,785)
OTHER COMPREHENSIVE INCOME		<u>-</u>	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		321,832	(102,785)
Profit/(loss) attributable to: Owners of the parent		<u>321,832</u>	<u>(102,785)</u>
Total comprehensive income attributable to: Owners of the parent		<u>321,832</u>	<u>(102,785)</u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
31ST DECEMBER 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Intangible assets	13		283,861		221,925
Tangible assets	14		4,776,564		3,987,333
Investments	15		-		-
			<u>5,060,425</u>		<u>4,209,258</u>
CURRENT ASSETS					
Debtors	16	4,752,160		4,611,760	
Cash in hand		<u>500</u>		<u>500</u>	
		4,752,660		4,612,260	
CREDITORS					
Amounts falling due within one year	17	<u>5,805,619</u>		<u>4,981,275</u>	
NET CURRENT LIABILITIES			<u>(1,052,959)</u>		<u>(369,015)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,007,466		3,840,243
CREDITORS					
Amounts falling due after more than one year	18		(2,161,225)		(2,294,615)
PROVISIONS FOR LIABILITIES	22		<u>(328,857)</u>		<u>(200,076)</u>
NET ASSETS			<u>1,517,384</u>		<u>1,345,552</u>
CAPITAL AND RESERVES					
Called up share capital	23		827		827
Share premium	24		100,000		100,000
Capital redemption reserve	24		173		173
Retained earnings	24		<u>1,416,384</u>		<u>1,244,552</u>
SHAREHOLDERS' FUNDS			<u>1,517,384</u>		<u>1,345,552</u>

The financial statements were approved by the director and authorised for issue on 23rd September 2022 and were signed by:

N D Garner - Director

COMPANY BALANCE SHEET
31ST DECEMBER 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Intangible assets	13		-		-
Tangible assets	14		-		-
Investments	15		<u>6,020,535</u>		<u>6,020,535</u>
			6,020,535		6,020,535
CREDITORS					
Amounts falling due within one year	17	<u>2,465,273</u>		<u>2,465,273</u>	
NET CURRENT LIABILITIES			<u>(2,465,273)</u>		<u>(2,465,273)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,555,262</u>		<u>3,555,262</u>
CAPITAL AND RESERVES					
Called up share capital	23		827		827
Share premium	24		100,000		100,000
Capital redemption reserve	24		173		173
Retained earnings	24		<u>3,454,262</u>		<u>3,454,262</u>
SHAREHOLDERS' FUNDS			<u>3,555,262</u>		<u>3,555,262</u>
Company's profit for the financial year			<u>150,000</u>		<u>-</u>

The financial statements were approved by the director and authorised for issue on 23rd September 2022 and were signed by:

N D Garner - Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2021**

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1st January 2020	827	1,497,337	100,000	173	1,598,337
Changes in equity					
Dividends	-	(150,000)	-	-	(150,000)
Total comprehensive loss	-	(102,785)	-	-	(102,785)
Balance at 31st December 2020	827	1,244,552	100,000	173	1,345,552
Changes in equity					
Dividends	-	(150,000)	-	-	(150,000)
Total comprehensive income	-	321,832	-	-	321,832
Balance at 31st December 2021	827	1,416,384	100,000	173	1,517,384

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2021

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1st January 2020	827	3,604,262	100,000	173	3,705,262
Changes in equity					
Dividends	-	(150,000)	-	-	(150,000)
Balance at 31st December 2020	827	3,454,262	100,000	173	3,555,262
Changes in equity					
Dividends	-	(150,000)	-	-	(150,000)
Total comprehensive income	-	150,000	-	-	150,000
Balance at 31st December 2021	827	3,454,262	100,000	173	3,555,262

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	1,336,379	1,576,234
Interest paid		(44,203)	(28,332)
Interest element of hire purchase payments paid		(158,699)	(166,099)
Tax paid		(24,691)	(8,257)
Net cash from operating activities		<u>1,108,786</u>	<u>1,373,546</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(61,936)	(56,925)
Purchase of tangible fixed assets		(96,497)	(149,954)
Sale of tangible fixed assets		1,231,082	627,286
Interest received		24,706	54
Net cash from investing activities		<u>1,097,355</u>	<u>420,461</u>
Cash flows from financing activities			
Loan repayments in year		(46,183)	(166,667)
Capital repayments in year		(2,527,582)	(1,593,855)
Amount introduced by directors		110,863	-
Amount withdrawn by directors		-	(51,262)
Related party loans		550,000	55,000
Equity dividends paid		(150,000)	(150,000)
Net cash from financing activities		<u>(2,062,902)</u>	<u>(1,906,784)</u>
Increase/(decrease) in cash and cash equivalents		<u>143,239</u>	<u>(112,777)</u>
Cash and cash equivalents at beginning of year	2	<u>(1,221,532)</u>	<u>(1,108,755)</u>
Cash and cash equivalents at end of year	2	<u><u>(1,078,293)</u></u>	<u><u>(1,221,532)</u></u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2021

1. **RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2021	2020
	£	£
Profit/(loss) before taxation	380,725	(107,164)
Depreciation charges	669,143	1,092,005
Profit on disposal of fixed assets	(186,359)	(117,291)
Finance costs	202,902	194,431
Finance income	(24,706)	(54)
	<u>1,041,705</u>	<u>1,061,927</u>
(Increase)/decrease in trade and other debtors	(442,636)	857,170
Increase/(decrease) in trade and other creditors	<u>737,310</u>	<u>(342,863)</u>
Cash generated from operations	<u>1,336,379</u>	<u>1,576,234</u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31st December 2021

	31/12/21	1/1/21
	£	£
Cash and cash equivalents	500	500
Bank overdrafts	<u>(1,078,793)</u>	<u>(1,222,032)</u>
	<u>(1,078,293)</u>	<u>(1,221,532)</u>

Year ended 31st December 2020

	31/12/20	1/1/20
	£	£
Cash and cash equivalents	500	500
Bank overdrafts	<u>(1,222,032)</u>	<u>(1,109,255)</u>
	<u>(1,221,532)</u>	<u>(1,108,755)</u>

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2021****3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1/1/21 £	Cash flow £	Other non-cash changes £	At 31/12/21 £
Net cash				
Cash at bank and in hand	500	-		500
Bank overdrafts	<u>(1,222,032)</u>	<u>143,239</u>		<u>(1,078,793)</u>
	<u>(1,221,532)</u>	<u>143,239</u>		<u>(1,078,293)</u>
Debt				
Finance leases	(3,609,937)	2,527,582	(2,193,728)	(3,276,083)
Debts falling due within 1 year	<u>(46,183)</u>	<u>(592,166)</u>	<u>-</u>	<u>(638,349)</u>
	<u>(3,656,120)</u>	<u>1,935,416</u>	<u>(2,193,728)</u>	<u>(3,914,432)</u>
Total	<u><u>(4,877,652)</u></u>	<u><u>2,078,655</u></u>	<u><u>(2,193,728)</u></u>	<u><u>(4,992,725)</u></u>

4. MAJOR NON-CASH TRANSACTIONS

During the period the group entered into hire purchase arrangements in respect of assets totalling £2,193,728 (2020: £660,174).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Going concern

After reviewing the group's forecasts and projections, the director has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Basis of consolidation

The group consolidated financial statements include the financial statements of the company and all of its subsidiary undertakings made up to 31 December 2021.

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

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination the excess is recognised separately on the face of the consolidated balance sheet immediately below goodwill.

All inter-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses for the year. However, the nature of estimation means that actual outcomes could differ from those 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 revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following judgements have had the most significant effect on amounts recognised in the financial statements.

Claims

The group uses variety of techniques, both statistical and actuarial, to assess the likely run off of the policies on risk. Monthly management statistics include average claim costs, loss ratios and expected contribution to profit and expenses as well as a number of other parameters.

Bad and doubtful debts

A key area involving management judgement and estimate is in determining the provision for bad and doubtful debts for medical, rehabilitation and completed hire debts due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021

2. ACCOUNTING POLICIES - continued

Income recognition

Turnover is measured at fair value of the consideration receivable and represents the total amount receivable for services provided in the normal course of business, excluding Value Added Tax and trade discounts.

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract.

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired, is capitalised and written off on a straight line basis over its estimated useful life of 5 years. Provision is made for any impairment.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Software & licenses is being amortised evenly over its estimated useful life of ten years.

Intangible assets - software & licences

Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use it;
- there is an ability to use the software;
- it can be demonstrated how the software will generate future economic benefits;
- adequate technical, financial and other resources to complete the development and to use the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Plant & machinery	- 25% on reducing balance and to bring asset in line with market value
Fixtures & fittings	- 33% on cost, 20% on cost and 10% on reducing balance
Motor vehicles	- straight line to its residual value
Computer hardware & software	- 33% on cost and 20% on cost

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

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

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest rate method, less any impairment.

Cash and cash equivalents

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

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Interest bearing borrowings

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the statement of comprehensive income over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

Government grants

Government grants are recognised on the accrual model and are measured at fair value of the asset receivable. Grants are classified as relating either to income or to assets. Grants related to other income are recognised in profit or loss over the period in which 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021

2. ACCOUNTING POLICIES - continued

Financial instruments

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

The group enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, together with loans to and from related parties.

Debt instruments (other than those wholly repayable or receivable in one year), including loans and other accounts receivable and payable, are initially measured at present value of future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable in one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred taxation

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

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

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

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

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

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

Pension costs and other post-retirement benefits

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021

2. ACCOUNTING POLICIES - continued

Claims

Claims consist of claims paid to policyholders, changes in the valuation of liabilities arising on policyholder contracts, net of subrogation recoveries.

Provision is made for outstanding claims and settlement expenses incurred at the balance sheet date including an estimate for the cost of claims incurred but not reported (IBNR) at that date. Included in the provision is an estimate of the internal and external costs of handling the claims. Reinsurance recoveries are presented as assets. The methods used and estimates made are continually reviewed and any resulting adjustments are reported in the statement of income in the year in which claims are settled or re-appraised.

Although provisions for claims are based upon the information currently available, subsequent information and events may show the ultimate liability to be greater, or less, than the amount provided. The methods used and estimates made are continually reviewed and any resulting adjustments will be reported in the year of settlement or re-appraisal.

Dividends

Dividends and other distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

3. TURNOVER

The turnover and profit (2020 - loss) before taxation are attributable to the principal activities of the group.

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

	2021	2020
	£	£
Claims handling & vehicle hire	5,213,757	5,869,360
Employment law solutions	1,155,809	1,008,917
	<u>6,369,566</u>	<u>6,878,277</u>

Turnover is from fully within the United Kingdom and is wholly attributable to the rendering of services.

4. OTHER OPERATING INCOME

	2021	2020
	£	£
Government grant income	127,740	413,930
	<u>127,740</u>	<u>413,930</u>

Government grant income is from claims made during the year under the Coronavirus Job Retention Scheme.

5. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	2,155,768	2,563,329
Social security costs	199,481	239,864
Other pension costs	65,346	85,061
	<u>2,420,595</u>	<u>2,888,254</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021

5. EMPLOYEES AND DIRECTORS - continued

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

	2021	2020
Office and administration	58	66
Sales and marketing	11	17
Drivers	4	4
	<u>73</u>	<u>87</u>
	2021	2020
	£	£
Director's remuneration	<u>33,583</u>	<u>79,793</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

6. OPERATING PROFIT

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

	2021	2020
	£	£
Hire of plant and machinery	754	771
Depreciation - owned assets	88,968	104,058
Depreciation - assets on hire purchase contracts	580,174	987,947
Profit on disposal of fixed assets	(186,359)	(117,291)
Auditors' remuneration	38,158	31,490
Operating lease rentals	<u>598,610</u>	<u>431,030</u>

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021	2020
	£	£
Deposit account interest	24,682	-
Corporation tax interest	24	54
	<u>24,706</u>	<u>54</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Bank interest	15,149	10,282
Other loan interest	29,054	18,050
Hire purchase interest	158,699	166,099
	<u>202,902</u>	<u>194,431</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021

9. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	2021 £	2020 £
Current tax:		
UK corporation tax	43,667	45,065
Adjustment in respect of prior years	<u>(20,374)</u>	<u>-</u>
Total current tax	23,293	45,065
Deferred tax	<u>35,600</u>	<u>(49,444)</u>
Tax on profit/(loss)	<u>58,893</u>	<u>(4,379)</u>

UK corporation tax has been charged at 19 % (2020 - 19 %).

Reconciliation of total tax charge/(credit) included in profit and loss

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

	2021 £	2020 £
Profit/(loss) before tax	<u>380,725</u>	<u>(107,164)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19 % (2020 - 19 %)	72,338	(20,361)
Effects of:		
Expenses not deductible for tax purposes	11,712	15,982
Capital allowances in excess of depreciation	(4,783)	-
Adjustments to tax charge in respect of previous periods	<u>(20,374)</u>	<u>-</u>
Total tax charge/(credit)	<u>58,893</u>	<u>(4,379)</u>

10. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

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

11. DIVIDENDS

	2021 £	2020 £
Ordinary 'B' shares of £0.01 each		
Interim	<u>150,000</u>	<u>150,000</u>

12. PENSION COMMITMENTS

The group operates a defined contributions scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. During the year, the group contributed £67,533 (2020: £85,061) to the fund.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021

13. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Software & licenses £	Totals £
COST			
At 1st January 2021	1,436,200	221,925	1,658,125
Additions	-	61,936	61,936
At 31st December 2021	<u>1,436,200</u>	<u>283,861</u>	<u>1,720,061</u>
AMORTISATION			
At 1st January 2021			
and 31st December 2021	<u>1,436,200</u>	-	<u>1,436,200</u>
NET BOOK VALUE			
At 31st December 2021	<u>-</u>	<u>283,861</u>	<u>283,861</u>
At 31st December 2020	<u>-</u>	<u>221,925</u>	<u>221,925</u>

The software acquired is still in development at year end and consequently no amortisation has been charged in the year.

14. TANGIBLE FIXED ASSETS

Group

	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Computer hardware & software £	Totals £
COST					
At 1st January 2021	13,852	153,478	5,864,408	145,319	6,177,057
Additions	4,316	86,362	2,193,727	5,820	2,290,225
Disposals	-	-	(1,660,391)	-	(1,660,391)
At 31st December 2021	<u>18,168</u>	<u>239,840</u>	<u>6,397,744</u>	<u>151,139</u>	<u>6,806,891</u>
DEPRECIATION					
At 1st January 2021	12,379	77,825	1,983,875	115,645	2,189,724
Charge for year	1,285	31,331	619,503	17,023	669,142
Eliminated on disposal	-	-	(828,539)	-	(828,539)
At 31st December 2021	<u>13,664</u>	<u>109,156</u>	<u>1,774,839</u>	<u>132,668</u>	<u>2,030,327</u>
NET BOOK VALUE					
At 31st December 2021	<u>4,504</u>	<u>130,684</u>	<u>4,622,905</u>	<u>18,471</u>	<u>4,776,564</u>
At 31st December 2020	<u>1,473</u>	<u>75,653</u>	<u>3,880,533</u>	<u>29,674</u>	<u>3,987,333</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021

14. TANGIBLE FIXED ASSETS - continued

Group

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

	Motor vehicles £
COST	
At 1st January 2021	5,507,550
Additions	1,487,046
Disposals	(1,570,421)
Transfer to ownership	(152,434)
At 31st December 2021	<u>5,271,741</u>
DEPRECIATION	
At 1st January 2021	1,808,269
Charge for year	580,174
Eliminated on disposal	(784,266)
Transfer to ownership	(47,587)
At 31st December 2021	<u>1,556,590</u>
NET BOOK VALUE	
At 31st December 2021	<u>3,715,151</u>
At 31st December 2020	<u>3,699,281</u>

15. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1st January 2021 and 31st December 2021	<u>16,008,200</u>
PROVISIONS	
At 1st January 2021 and 31st December 2021	<u>9,987,665</u>
NET BOOK VALUE	
At 31st December 2021	<u>6,020,535</u>
At 31st December 2020	<u>6,020,535</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021

15. **FIXED ASSET INVESTMENTS - continued**

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

MSL Legal Expenses Limited

Registered office:

Nature of business: Motorist legal services

	%		
Class of shares:	holding		
Ordinary	100.00		
		2021	2020
		£	£
Aggregate capital and reserves		1,530,961	1,521,142
Profit/(loss) for the year		84,819	(29,636)

Direct shareholding.

MSL Vehicle Solutions Limited

Registered office:

Nature of business: Vehicle hire

	%		
Class of shares:	holding		
Ordinary	100.00		
		2021	2020
		£	£
Aggregate capital and reserves		3,032,246	2,799,705
Profit for the year		232,541	60,649

Direct shareholding.

Supportis Limited

Registered office:

Nature of business: HR and employment services

	%		
Class of shares:	holding		
Ordinary	100.00		
		2021	2020
		£	£
Aggregate capital and reserves		(505,550)	(510,022)
Profit/(loss) for the year		4,472	(133,797)

Direct shareholding.

The results of all subsidiary companies are included within these consolidated accounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2021	2020
	£	£
Trade debtors	4,345,408	4,008,477
Other debtors	9,895	23,930
Directors' current accounts	-	77,514
Deferred tax asset	-	11,850
Prepayments and accrued income	396,857	489,989
	<u>4,752,160</u>	<u>4,611,760</u>

Deferred tax asset

	Group	
	2021	2020
	£	£
Accelerated capital allowances	<u>-</u>	<u>11,850</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans and overdrafts (see note 19)	1,078,793	1,268,215	-	-
Hire purchase contracts (see note 20)	1,114,858	1,315,322	-	-
Trade creditors	520,454	534,698	-	-
Amounts owed to group undertakings	-	-	2,465,273	2,465,273
Corporation Tax	43,667	45,065	-	-
Social security and other taxes	64,229	82,091	-	-
VAT	49,217	271,252	-	-
Other creditors	756,561	183,648	-	-
Directors' current accounts	33,349	-	-	-
Accruals and deferred income	2,144,491	1,280,984	-	-
	5,805,619	4,981,275	2,465,273	2,465,273

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

	Group	
	2021	2020
	£	£
Hire purchase contracts (see note 20)	<u>2,161,225</u>	<u>2,294,615</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021

19. **LOANS**

An analysis of the maturity of loans is given below:

	Group	
	2021	2020
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	1,078,793	1,222,032
Bank loans	-	46,183
	<u>1,078,793</u>	<u>1,268,215</u>

20. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2021	2020
	£	£
Net obligations repayable:		
Within one year	1,114,858	1,315,322
Between one and five years	2,161,225	2,294,615
	<u>3,276,083</u>	<u>3,609,937</u>

Group

	Non-cancellable operating leases	
	2021	2020
	£	£
Within one year	119,054	276,410
Between one and five years	137,676	-
	<u>256,730</u>	<u>276,410</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021

21. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2021	2020
	£	£
Bank overdrafts	1,078,793	1,222,032
Bank loans	-	46,183
Hire purchase contracts	3,276,083	3,609,937
Related loan	500,000	-
	<u>4,854,876</u>	<u>4,878,152</u>

The bank overdraft and loan are secured by a cross guarantee and debenture given by Drive Further Limited and all subsidiaries.

Hire purchase contracts are secured against the specific assets to which they relate.

The loan received from Financial & Legal Insurance Company Ltd, a company under common control, is secured against the assets of MSL Vehicle Solutions Ltd.

22. PROVISIONS FOR LIABILITIES

	Group	
	2021	2020
	£	£
Deferred tax		
Accelerated capital allowances	<u>23,750</u>	-
Other provisions		
Insurance claims reserve	<u>305,107</u>	<u>200,076</u>
Aggregate amounts	<u>328,857</u>	<u>200,076</u>
Group		
	Deferred tax	Other provisions
	£	£
Balance at 1st January 2021	(11,850)	200,076
Provided during year	<u>35,600</u>	<u>105,031</u>
Balance at 31st December 2021	<u>23,750</u>	<u>305,107</u>

Please see note 2 for details given in respect of the accounting basis for other provisions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021

23. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number	Class	Nominal value:	31/12/20	31/12/19
2,700	Ordinary 'B'	£0.01	27	27
5,000	Ordinary 'C'	£0.01	50	50
75,000	Ordinary 'C1'	£0.01	750	750
			<u>827</u>	<u>827</u>

The shares carry differential rights to dividends, but in all other respects rank pari passu.

24. RESERVES

Retained earnings - includes all current and prior period retained profit and losses.

Share premium account - this reserve includes any premiums received on issue of share capital. Any transactions costs associated with the issuing of shares are deducted from share premium.

Capital redemption reserve - this reserve includes the nominal value of share capital re-purchased by the company and subsequently cancelled.

25. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31st December 2021 and 31st December 2020:

	2021 £	2020 £
N D Garner		
Balance outstanding at start of year	77,514	26,252
Amounts advanced	-	77,514
Amounts repaid	(77,514)	(26,252)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>77,514</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2021

26. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of FRS 102, not to disclose related party transactions with wholly owned subsidiaries within the group.

Total key management compensation, including social security and pension contributions, was £589,695

Transactions with related parties to the group are as follows:

	31/12/21	31/12/20
	£	£
Transactions		
Turnover (1)	515,911	642,307
Costs (1)	7,112	15,050
Balances		
Loan due to/(from) director	33,349	(77,514)
Loan due to/(from) related parties (1)	500,000	-
Trade debtors (1)	28,182	107,929
Trade creditors (1)	-	6,922

(1) Companies under common control. The loan is repayable on 60 days notice and carries interest at 5% per annum.

The loan with the director is interest free and repayable on demand.

27. POST BALANCE SHEET EVENTS

While it is not considered to be an adjusting post balance sheet event, the Director has focussed considerable time and attention in 2021 and continuing into 2022 on issues arising from the Covid-19 pandemic and related Government regulations and guidance. With a focus on colleague safety and an efficient use of IT and communications systems, the group's businesses have successfully transitioned to operational models with colleagues working from home wherever possible. Appropriate use of the Government's job retention scheme has been made to reduce net operating costs in line with reduced customer demand in order to minimise the financial impact of the pandemic on the business.

The director continues to monitor the position and as circumstances and guidance evolve will continue to make appropriate changes to operational practices in the group.

28. ULTIMATE CONTROLLING PARTY

Group and company

The ultimate controlling party of the company is the director, N D Garner.

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