

GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTOR AND
AUDITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022
FOR
DRIVE FURTHER LIMITED

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FOR THE YEAR ENDED 31ST DECEMBER 2022

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DRIVE FURTHER LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2022

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 2022

The director presents his strategic report of the company and the group for the year ended 31st December 2022.

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.

This is the first full year after pandemic continued which culminated in a increase of 44% in income to £9.2m (2021: £6.4m).

Administrative expenses increased to £7.4m (2021: £5.9m), resulting in a profit before tax of £1.49m (2021: £381k), an increase of £1.11m.

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 to £2.59m (2021: £1.52m).

Operating cash flow was fairly neutral at £33k (2021: £1.3m), due to increased working capital requirements to fund post pandemic growth.

Colleague levels within the group are continually reviewed to ensure maximum efficiency whilst maintaining high levels of customer service. Average colleague numbers were 67 (2021: 73).

The group continues to focus on key areas of income generation, cost control and management of working capital.

The board 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 2022

PRINCIPAL RISKS AND UNCERTAINTIES

Reserving risk

The group's approach to reserving is based on regular evaluations of historical trends.

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

Cash flow projections indicate an expectation that the group can continue to operate within its available banking facilities.

Regulatory risk

i) Risks in relation to the regulation of the group

One set of risks considered relate to an exposure to regulatory intervention, censure or fines and any associated enforcement or legal action arising from a failure to abide by any relevant obligations. The group has processes in place to ensure that it meets its regulatory timelines and an efficient and robust risk and compliance function to enable continuous monitoring of its risks and compliance obligations.

There is also a risk the interpretation or expectations of regulators evolves that actual or potential customer harm arises, or may arise, from the way the group or third parties conduct their business, or that changes in regulatory expectations affect the ongoing suitability of the group's products. There is a further risk of non compliance as regulations in financial services are continually changing as well as the interpretation and expectations on how companies comply with existing legislation.

The board keeps abreast of regulatory developments and ensures information required by regulators is submitted in a timely fashion and with board approval where appropriate.

The group does not receive many customer complaints but these are in any event reviewed on a monthly basis by senior members of the management team.

ii) Regulatory risks affecting the group's markets

As noted above, the government implemented the CLA effective from 31 May 2021, which has increased the small claims limit and introduced a 'whiplash' tariff, both of which are designed to discourage minor, exaggerated and fraudulent RTA whiplash claims.

The group has been aware of and recognised for some considerable time this risk and so has had time to respond appropriately.

Cyber risk and data protection risk

The group is Cyber Essentials certified and this was renewed in 2023. The group ensures that any IT partners are also at least Cyber Essentials certified and in most instances works with ISO27001 compliant partners.

The group routinely checks the cyber risk metrics within the business on a quarterly basis to ensure that we stay ahead of any emerging trends in the cyber security sector. IT development within the business follows the guidelines of the NCSC best practices.

The group operates appropriately rigorous data protection policies and procedures within its IT security framework and also in situations where data is being handled outside the IT systems. Colleagues are trained and updated regularly on these policies and procedures

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2022

Climate Change Risk

As the majority of business is still legal expenses insurance, the potential exposure to financial risk from climate change is believed to be relatively low.

FINANCIAL KEY PERFORMANCE INDICATORS

The group income increased in the year by 44% to £9.2m (2021: £6.4m).

The profit for the year after taxation but before dividends was £1.22m (2021: £322k).

The shareholders' funds of the group were £2.59m at 31 December 2022 (2021: £1.5m).

The reduction in cash in the year was £406k (2021: Increased £143k).

OTHER KEY PERFORMANCE INDICATORS

There were 744 vehicles on fleet at 31 December 2022 (2021: 587).

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.

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 2023) account for the impact of the CLA.

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

31st August 2023

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31ST DECEMBER 2022

The director presents his report with the financial statements of the company and the group for the year ended 31st December 2022.

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 2022 will be £150,000.

DIRECTOR

N D Garner held office during the whole of the period from 1st January 2022 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 2022

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

31st August 2023

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 2022 which comprise the Consolidated Income Statement, Consolidated Other 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 2022 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

31st August 2023

CONSOLIDATED
INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2022

	Notes	2022 £	2021 £
TURNOVER	3	9,223,497	6,369,566
Administrative expenses		<u>7,399,002</u>	<u>5,938,385</u>
		1,824,495	431,181
Other operating income	4	<u>999</u>	<u>127,740</u>
OPERATING PROFIT	6	1,825,494	558,921
Interest receivable and similar income	7	<u>163</u>	<u>24,706</u>
		1,825,657	583,627
Interest payable and similar expenses	8	<u>337,364</u>	<u>202,902</u>
PROFIT BEFORE TAXATION		1,488,293	380,725
Tax on profit	9	<u>269,545</u>	<u>58,893</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,218,748</u>	<u>321,832</u>
Profit attributable to:			
Owners of the parent		<u>1,218,748</u>	<u>321,832</u>

The notes form part of these financial statements

CONSOLIDATED
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2022

	Notes	2022 £	2021 £
PROFIT FOR THE YEAR		1,218,748	321,832
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		-	-
FOR THE YEAR		<u>1,218,748</u>	<u>321,832</u>
Total comprehensive income attributable to:			
Owners of the parent		<u>1,218,748</u>	<u>321,832</u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
31ST DECEMBER 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Intangible assets	12		292,431		283,861
Tangible assets	13		7,443,672		4,776,564
Investments	14		-		-
			<u>7,736,103</u>		<u>5,060,425</u>
CURRENT ASSETS					
Debtors	15	7,590,585		4,752,160	
Cash in hand		<u>500</u>		<u>500</u>	
		7,591,085		4,752,660	
CREDITORS					
Amounts falling due within one year	16	<u>9,035,186</u>		<u>5,805,619</u>	
NET CURRENT LIABILITIES			<u>(1,444,101)</u>		<u>(1,052,959)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			6,292,002		4,007,466
CREDITORS					
Amounts falling due after more than one year	17		(3,520,345)		(2,161,225)
PROVISIONS FOR LIABILITIES	21		<u>(185,525)</u>		<u>(328,857)</u>
NET ASSETS			<u>2,586,132</u>		<u>1,517,384</u>
CAPITAL AND RESERVES					
Called up share capital	22		827		827
Share premium	23		100,000		100,000
Capital redemption reserve	23		173		173
Retained earnings	23		<u>2,485,132</u>		<u>1,416,384</u>
SHAREHOLDERS' FUNDS			<u>2,586,132</u>		<u>1,517,384</u>

The financial statements were approved by the director and authorised for issue on 31st August 2023 and were signed by:

N D Garner - Director

COMPANY BALANCE SHEET
31ST DECEMBER 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Intangible assets	12		-		-
Tangible assets	13		-		-
Investments	14		<u>6,020,535</u>		<u>6,020,535</u>
			<u>6,020,535</u>		<u>6,020,535</u>
CREDITORS					
Amounts falling due within one year	16	<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><u>3,555,262</u></u>		<u><u>3,555,262</u></u>
CAPITAL AND RESERVES					
Called up share capital	22		827		827
Share premium	23		100,000		100,000
Capital redemption reserve	23		173		173
Retained earnings	23		<u>3,454,262</u>		<u>3,454,262</u>
SHAREHOLDERS' FUNDS			<u><u>3,555,262</u></u>		<u><u>3,555,262</u></u>
Company's profit for the financial year			<u>150,000</u>		<u>150,000</u>

The financial statements were approved by the director and authorised for issue on 31st August 2023 and were signed by:

N D Garner - Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2022**

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1st January 2021	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
Changes in equity					
Dividends	-	(150,000)	-	-	(150,000)
Total comprehensive income	-	1,218,748	-	-	1,218,748
Balance at 31st December 2022	827	2,485,132	100,000	173	2,586,132

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2022

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1st January 2021	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
Changes in equity					
Dividends	-	(150,000)	-	-	(150,000)
Total comprehensive income	-	150,000	-	-	150,000
Balance at 31st December 2022	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 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	33,481	1,336,379
Interest paid		(119,913)	(44,203)
Interest element of hire purchase payments paid		(271,721)	(158,699)
Tax paid		(6,864)	(24,691)
Net cash from operating activities		<u>(365,017)</u>	<u>1,108,786</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(18,563)	(61,936)
Purchase of tangible fixed assets		(1,367,370)	(96,497)
Sale of tangible fixed assets		1,020,403	1,231,082
Interest received		163	24,706
Net cash from investing activities		<u>(365,367)</u>	<u>1,097,355</u>
Cash flows from financing activities			
Loan repayments in year		-	(46,183)
Capital repayments in year		(1,538,779)	(2,527,582)
Amount introduced by directors		100,411	110,863
Related party loans		1,912,527	550,000
Equity dividends paid		(150,000)	(150,000)
Net cash from financing activities		<u>324,159</u>	<u>(2,062,902)</u>
(Decrease)/increase in cash and cash equivalents		<u>(406,225)</u>	<u>143,239</u>
Cash and cash equivalents at beginning of year	2	<u>(1,078,293)</u>	<u>(1,221,532)</u>
Cash and cash equivalents at end of year	2	<u><u>(1,484,518)</u></u>	<u><u>(1,078,293)</u></u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2022

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2022	2021
	£	£
Profit before taxation	1,488,293	380,725
Depreciation charges	960,527	669,143
Profit on disposal of fixed assets	(260,365)	(186,359)
Finance costs	337,364	202,902
Finance income	(163)	(24,706)
	<u>2,525,656</u>	<u>1,041,705</u>
Increase in trade and other debtors	(2,838,425)	(442,636)
Increase in trade and other creditors	346,250	737,310
Cash generated from operations	<u>33,481</u>	<u>1,336,379</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 2022

	31/12/22	1/1/22
	£	£
Cash and cash equivalents	500	500
Bank overdrafts	(1,485,018)	(1,078,793)
	<u>(1,484,518)</u>	<u>(1,078,293)</u>

Year ended 31st December 2021

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

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2022****3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1/1/22 £	Cash flow £	Other non-cash changes £	At 31/12/22 £
Net cash				
Cash at bank and in hand	500	-		500
Bank overdrafts	(1,078,793)	(406,225)		(1,485,018)
	<u>(1,078,293)</u>	<u>(406,225)</u>		<u>(1,484,518)</u>
Debt				
Finance leases	(3,276,083)	1,538,779	(3,010,310)	(4,747,614)
Debts falling due within 1 year	(638,349)	(2,012,938)	-	(2,651,287)
	<u>(3,914,432)</u>	<u>(474,159)</u>	<u>(3,010,310)</u>	<u>(7,398,901)</u>
Total	<u>(4,992,725)</u>	<u>(880,384)</u>	<u>(3,010,310)</u>	<u>(8,883,419)</u>

4. MAJOR NON-CASH TRANSACTIONS

During the period the group entered into hire purchase arrangements in respect of assets totalling £3,010,310 (2021: £2,193,728).

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

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 2022.

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 2022

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 2022

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

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 Income Statement, 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 2022

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 before taxation are attributable to the principal activities of the group.

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

	2022	2021
	£	£
Claims handling & vehicle hire	8,202,577	5,213,757
Employment law solutions	<u>1,020,920</u>	<u>1,155,809</u>
	<u>9,223,497</u>	<u>6,369,566</u>

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

4. OTHER OPERATING INCOME

	2022	2021
	£	£
Government grant income	-	127,740
Sundry income	<u>999</u>	<u>-</u>
	<u>999</u>	<u>127,740</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

5. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	2,275,585	2,155,768
Social security costs	228,821	199,481
Other pension costs	195,446	65,346
	<u>2,699,852</u>	<u>2,420,595</u>

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

	2022	2021
Office and administration	51	58
Sales and marketing	14	11
Drivers	2	4
	<u>67</u>	<u>73</u>

	2022	2021
	£	£
Director's remuneration	5,076	33,583
Director's pension contributions to money purchase schemes	<u>54,000</u>	<u>-</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):

	2022	2021
	£	£
Hire of plant and machinery	4	754
Depreciation - owned assets	218,649	88,968
Depreciation - assets on hire purchase contracts	731,885	580,174
Profit on disposal of fixed assets	(260,365)	(186,359)
Software & licenses amortisation	9,993	-
Auditors' remuneration	34,675	38,158
Operating lease rentals	<u>1,350,240</u>	<u>598,610</u>

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022	2021
	£	£
Deposit account interest	163	24,682
Corporation tax interest	-	24
	<u>163</u>	<u>24,706</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Bank interest	27,719	15,149
Other loan interest	37,924	29,054
Hire purchase interest	271,721	158,699
	<u>337,364</u>	<u>202,902</u>

9. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	290,705	43,667
Adjustment in respect of prior years	(36,803)	(20,374)
Total current tax	253,902	23,293
Deferred tax	15,643	35,600
Tax on profit	<u>269,545</u>	<u>58,893</u>

UK corporation tax has been charged at 19 % (2021 - 19 %).

Reconciliation of total tax charge 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:

	2022	2021
	£	£
Profit before tax	<u>1,488,293</u>	<u>380,725</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2021 - 19 %)	282,776	72,338
Effects of:		
Expenses not deductible for tax purposes	18,989	11,712
Capital allowances in excess of depreciation	(2,918)	(4,783)
Adjustments to tax charge in respect of previous periods	(36,803)	(20,374)
Change in Corporation Tax rate	7,501	-
Total tax charge	<u>269,545</u>	<u>58,893</u>

10. INDIVIDUAL INCOME STATEMENT

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

11. DIVIDENDS

	2022	2021
	£	£
Ordinary 'B' shares of £0.01 each		
Interim	<u>150,000</u>	<u>150,000</u>

12. INTANGIBLE FIXED ASSETS

Group

	Goodwill	Software & licenses	Totals
	£	£	£
COST			
At 1st January 2022	1,436,200	283,861	1,720,061
Additions	-	18,563	18,563
At 31st December 2022	<u>1,436,200</u>	<u>302,424</u>	<u>1,738,624</u>
AMORTISATION			
At 1st January 2022	1,436,200	-	1,436,200
Amortisation for year	-	9,993	9,993
At 31st December 2022	<u>1,436,200</u>	<u>9,993</u>	<u>1,446,193</u>
NET BOOK VALUE			
At 31st December 2022	-	292,431	292,431
At 31st December 2021	-	283,861	283,861

13. TANGIBLE FIXED ASSETS

Group

	Plant & machinery	Fixtures & fittings	Motor vehicles	Computer hardware & software	Totals
	£	£	£	£	£
COST					
At 1st January 2022	18,168	239,840	6,397,744	151,139	6,806,891
Additions	3,750	34,637	4,326,279	13,014	4,377,680
Disposals	-	(27,805)	(1,451,680)	(112,865)	(1,592,350)
At 31st December 2022	<u>21,918</u>	<u>246,672</u>	<u>9,272,343</u>	<u>51,288</u>	<u>9,592,221</u>
DEPRECIATION					
At 1st January 2022	13,664	109,156	1,774,839	132,668	2,030,327
Charge for year	2,162	41,157	897,287	9,928	950,534
Eliminated on disposal	-	(27,805)	(691,642)	(112,865)	(832,312)
At 31st December 2022	<u>15,826</u>	<u>122,508</u>	<u>1,980,484</u>	<u>29,731</u>	<u>2,148,549</u>
NET BOOK VALUE					
At 31st December 2022	<u>6,092</u>	<u>124,164</u>	<u>7,291,859</u>	<u>21,557</u>	<u>7,443,672</u>
At 31st December 2021	4,504	130,684	4,622,905	18,471	4,776,564

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

13. **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 2022	5,271,741
Additions	2,664,402
Disposals	(1,257,615)
Transfer to ownership	(340,004)
At 31st December 2022	<u>6,338,524</u>
DEPRECIATION	
At 1st January 2022	1,556,590
Charge for year	731,885
Eliminated on disposal	(584,221)
Transfer to ownership	(311,686)
At 31st December 2022	<u>1,392,568</u>
NET BOOK VALUE	
At 31st December 2022	<u>4,945,956</u>
At 31st December 2021	<u>3,715,151</u>

14. **FIXED ASSET INVESTMENTS**

Company

	Shares in group undertakings £
COST	
At 1st January 2022 and 31st December 2022	<u>16,008,200</u>
PROVISIONS	
At 1st January 2022 and 31st December 2022	<u>9,987,665</u>
NET BOOK VALUE	
At 31st December 2022	<u>6,020,535</u>
At 31st December 2021	<u>6,020,535</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

14. 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

	% holding	2022 £	2021 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		2,034,311	1,530,961
Profit for the year		<u>578,350</u>	<u>84,819</u>

Direct shareholding.

MSL Vehicle Solutions Limited

Registered office:

Nature of business: Vehicle hire

	% holding	2022 £	2021 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		3,730,510	2,957,246
Profit for the year		<u>848,264</u>	<u>232,541</u>

Direct shareholding.

Supportis Limited

Registered office:

Nature of business: HR and employment services

	% holding	2022 £	2021 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		(713,416)	(505,550)
(Loss)/profit for the year		<u>(207,866)</u>	<u>4,472</u>

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 2022

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2022	2021
	£	£
Trade debtors	7,112,629	4,345,408
Other debtors	21,833	9,895
VAT	40,434	-
Prepayments and accrued income	415,689	396,857
	<u>7,590,585</u>	<u>4,752,160</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Company	
	2022	2021	2022
	£	£	£
Bank loans and overdrafts (see note 18)	1,485,018	1,078,793	-
Hire purchase contracts (see note 19)	1,227,269	1,114,858	-
Trade creditors	576,196	520,454	-
Amounts owed to group undertakings	-	-	2,465,273
Corporation Tax	290,705	43,667	-
Social security and other taxes	53,885	64,229	-
VAT	-	49,217	-
Other creditors	270,601	256,561	-
Amounts owed to related parties	2,412,527	500,000	-
Directors' current accounts	133,760	33,349	-
Accruals and deferred income	2,585,225	2,144,491	-
	<u>9,035,186</u>	<u>5,805,619</u>	<u>2,465,273</u>

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

	Group	
	2022	2021
	£	£
Hire purchase contracts (see note 19)	<u>3,520,345</u>	<u>2,161,225</u>

18. LOANS

An analysis of the maturity of loans is given below:

	Group	
	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>1,485,018</u>	<u>1,078,793</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

19. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2022	2021
	£	£
Net obligations repayable:		
Within one year	1,227,269	1,114,858
Between one and five years	3,520,345	2,161,225
	<u>4,747,614</u>	<u>3,276,083</u>

Group

	Non-cancellable operating leases	
	2022	2021
	£	£
Within one year	199,880	119,054
Between one and five years	82,435	137,676
	<u>282,315</u>	<u>256,730</u>

20. **SECURED DEBTS**

The following secured debts are included within creditors:

	Group	
	2022	2021
	£	£
Bank overdrafts	1,485,018	1,078,793
Hire purchase contracts	4,747,614	3,276,083
Related parties	2,250,000	500,000
	<u>8,482,632</u>	<u>4,854,876</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 by a second charge on MSL Vehicle Solutions Ltd fixed assets, is repayable on 60 days notice and is charged interest of 5% per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

21. PROVISIONS FOR LIABILITIES

	Group	
	2022	2021
	£	£
Deferred tax		
Accelerated capital allowances	<u>39,393</u>	<u>23,750</u>
Other provisions		
Insurance claims reserve	<u>146,132</u>	<u>305,107</u>
Aggregate amounts	<u>185,525</u>	<u>328,857</u>
Group	Deferred tax	Other provisions
	£	£
Balance at 1st January 2022	23,750	305,107
Charge/(credit) to Income Statement during year	<u>15,643</u>	<u>(65,618)</u>
Balance at 31st December 2022	<u>39,393</u>	<u>239,489</u>

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

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number	Class	Nominal value:	31/12/22	31/12/21
2,700	Ordinary 'B'	£0.01	27	27
5,000	Ordinary 'C'	£0.01	50	50
75,000	Ordinary 'C1'	£0.01	<u>750</u>	<u>750</u>
			<u>827</u>	<u>827</u>

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

23. 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.

24. 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 £195,446 (2021: £67,533) to the fund.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

25. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31st December 2022 and 31st December 2021:

	2022	2021
	£	£
N D Garner		
Balance outstanding at start of year	-	77,514
Amounts repaid	-	(77,514)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>-</u>

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 £409,098

Transactions with related parties to the group are as follows:

	31/12/22	31/12/21
	£	£
Transactions		
Turnover (1)	194,584	515,911
Costs (1)	202,667	7,112
Balances		
Loan due to/(from) director	133,760	33,349
Loan due to/(from) related parties (1)	2,412,527	500,000
Trade debtors (1)	21,116	28,182
Trade creditors (1)	<u>31,000</u>	<u>-</u>

(1) Companies under common control. The loan includes £2,250,000 which 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. ULTIMATE CONTROLLING PARTY

Group and company

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

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