

Annual Report 19/20



Doing good together

Oxford Direct Services Limited

Company Registration No. 10719222 (England and Wales)



Contents

Section 1 | Introduction

Highlights from the year	3
Introduction	5
Chair of Board's statement	6
MD statement	11

Section 2 | Strategic Report

Business Review	16
Key Performance Indicators	20
Section 172 Statement	21
Key risks, uncertainties and opportunities	32

Section 3 | Directors' Report

Principal activities	34
Financial review	34
Directors	35
Going concern	35
Corporate governance	36
Employees	39
Financial risk management	40
Results and dividends	40
Summary of accounts	41
Statement of Directors' responsibilities	43
Statement of Disclosure to Auditor	43

Section 4 | ODSTL Annual Report 19/20 45

Oxford Direct Services Trading Limited (ODSTL)

Highlights from the year 2020

1 April 2019 to 31 March 2020

54,545
Building Services jobs completed



Building services

3,225,706
Bins collected



Waste and recycling

100%
of Category 1 works - completed on time



Highways & engineering

Sufficient energy generated from food waste to power
4,200 homes



Waste and recycling

52,000 tonnes
of general waste collected and processed every day



Waste and recycling

1,841
repair jobs completed



Responsive repairs team

2,673
potholes fixed




Highways & engineering

102
Decent homes kitchens completed by contract operations team



Planned operations

100%
of emergency gas repairs completed on time



Gas team

100%
24hr defects completed on time



Highways & engineering

98%
Tenant satisfaction with repairs



Responsive repairs team

2,614
emergency repair jobs completed on time




Responsive repairs team

6 tonnes
of food waste collected and processed every day



Waste and recycling

50,000m³
liquid fertiliser for Oxford farmland



Waste and recycling

6 parks
with Green flag status



Parks and open spaces

Section 1

Introduction

Introduction

Just as our financial year was ending, the realities of COVID-19 were beginning. Although this report talks about the last financial year, we are mindful of the present and how we are managing through the global pandemic. Amidst the tragedy the virus has brought, bereavement, ill health, unemployment, one looks for positives. Arguably one is the sense of community and neighbourliness and this plays well to ODS's "doing good" mindset.

More than simply financial returns, the way we do business has a positive impact on people and the planet and 19/20 was no exception. Cash returned for reinvestment in public services, not lining shareholders' pockets. More electric vehicles added to our fleet. People continuing to enjoy good services, provided by local people who care about where they live and work.

This report sets out what we did last year and points to what we want to do this year and beyond. "Doing good" is what we set out to achieve.

Our two companies, **Oxford Direct Services Limited (ODSL)** and **Oxford Direct Services Trading Limited (ODSTL)**, are collectively referred to as "ODS" and in many respects are indistinguishable. Culture, values, and mindset are the same, for example. For statutory reporting purposes, this document provides the strategic and directors report for ODSL, including the Section 172 Companies Act requirements.



Being part and working on behalf of Oxford City Council means **doing good together**. That's why our values align so closely and support each other's common vision and ambition.

- We support flourishing communities with employment and training opportunities
- We foster an inclusive economy by keeping our supply chain local and paying the Oxford Living Wage
- We help the Council pursue a zero carbon Oxford by improving our operations, such as converting 25% of our fleet to electric by 2023
- We help deliver more affordable housing by building on and maintaining the housing stock with value for money.

Chair of Board's statement

I am pleased to present this Annual Report of **Oxford Direct Services Limited (ODSL)**, a company wholly owned by Oxford City Council.

Performance

In terms of performance ODS did well, especially when measured against the key indicators set by our principal client, Oxford City Council. Significant improvements were made in our ability to collate and understand feedback from individual customers of the city council which has led to improvements in the services offered.

I expect that we will see a further step change when we see the implementation of the long awaited **Aareon QL Housing Management System** which will provide opportunities to fine tune our service to better meet our client's needs. Of note is our contribution to these by way of increasing our electric vehicle fleet, with over 30 new ones purchased this year.

Revenue growth was strong but the board had wanted to see a commensurate growth in net profit which unfortunately didn't materialise. Steps were taken this year to correct that situation and the 4th quarter performance was truly impressive. These steps included right sizing the construction team to match work won, improved management information, driving efficiency and improved targeting of tender submissions on those that drive profit not just turnover. One of the new business highlights was the award of **our first new build housing contract**, where we are building eight bungalows in for our sister company Oxford City Homes Ltd.



Tim Sadler
Chair of Board
ODSL

Dividend and return

The target dividend for ODS to return to the Shareholder, Oxford City Council, for 2019/20 was £1.236m.

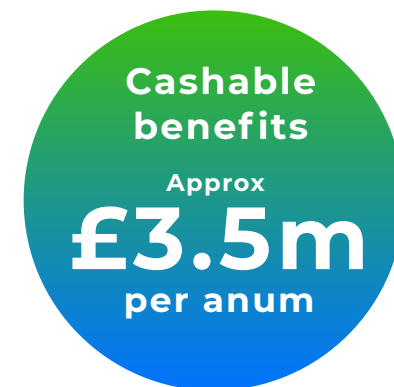
At the year-end reserves were £1.676m and in normal circumstances I believe that the board would have sanctioned a dividend payment of around £1.2m. However, the coronavirus crisis hit in the last month of 2019/20 and projections for 2020/21 persuaded the board that caution was necessary due to the resultant financial uncertainties.

We now have a recovery plan, revised budget and business plan in place which, if they come to pass, will enable the board to re-consider the dividend position as the year progresses.

In addition to the payment of the dividend, ODS provides cashable and non-cashable benefits to the council. Cashable benefits in the form of rebates, rent for depots and purchase of services bring the total return to the council to around £3.5m per annum.

In terms of non-cashable benefits, these are the result of having a partner contractor who is closely aligned with the council in terms of economic, environmental and social outcomes for the city. This year I would particularly like to mention the matter at hand – the coronavirus and the ODS response to it.

To see everyone across the business and other organisations pulling together and mobilising so quickly to help people in real crisis was an inspiration and amongst ODS's finest moments as a critical service provider. The company contributes significant value in other ways with its public service ethos, maintaining strong terms and conditions of employment (ODS pays in excess of the **Oxford Living Wage** as a minimum salary), it invests in developing the workforce maintaining and growing its apprenticeship programme. Many members of our workforce live locally and ODS continues to encourage further diversity across the company to better reflect the community it provides services for.



Take a look at how we've been supporting the community through 2020...

Oxford has been widely praised for its early and efficient response to lockdown, with the special partnership between ODS and Oxford City Council playing a key part in maintaining essential services and helping the most vulnerable members of our community.

ODS also used the opportunity to complete jobs which the lockdown made easier, including road and pothole repairs.

Supporting the local response hubs



Amy Smith, Business Support in Parks and Open Spaces, was one of many who were delegated to one of the seven response hubs in the city providing practical help such as food and medicine deliveries.

Changing roles to make a difference



Spike Jacobs, a Gas Support worker, became a designated driver for over six weeks collecting food to be sorted by the hubs and then delivered to Oxford's vulnerable residents.

The Oxford Standard of rigorous cleaning



Due to passionate and resilient operatives, Ian Thompson, a Streetscene Operations Manager, was able to implement the new Oxford Standard of cleaning, a stricter sanitising regime in the city centre streets to make the place safer for commuters, visitors and workers.

Going the extra mile to make Oxford safe



Jason Singleton, a Streetscene Operative, genuinely cares about the rigorous cleaning standard. His mum is a bus driver, so by cleaning the streets, its furniture such as bus shelters, he felt he was keeping his mum safe as well as the other bus passengers.

A proactive workforce



Quieter roads during the lockdown meant Phil Bradford, Highways Operative, can carry out those essential road maintenance jobs like potholes that would have been difficult under normal circumstances.

Strategy and outlook

Since the company was formed in 2017 the overall focus has been on driving value for money in the services delivered to the council, using efficiency gains to sell services to others and to grow business in areas of excellence, where we have a competitive advantage.

That strategy has driven the growth in revenues and overall profitability.

Considerable scope for efficiency savings remains, through systems improvement linked to the council's **Aareon QL project**, associated improvements in the supply chain and the ambition to move operations to a single depot site in the Oxford area. Not only would such a move enable efficiency savings, it would release the potential for capital receipts for the council.

The strategy for growth will for the time being focus on construction and the commercial waste business both areas with potential for good returns to be achieved.

In response to the very different circumstances imposed by the coronavirus crisis our strategy underpinning the new business plan, which was formed with constructive engagement with both shareholders and our principal client, is to:

- seek to re-establish the business on the previous path by March 2021
- restrict any losses to 2020/21
- maximise the use of the various Government support mechanisms
- drive further and faster with the efficiency savings programmes
- Identify and drive new growth opportunities in the future
- Rebate to the council variable cost savings reflecting lower workloads.

“... to grow business in areas of excellence, where we have a competitive advantage.”



Board and governance

The board was augmented in the year by the addition of three independent non-executive directors (NEDs) and the establishment of two committees, audit and remuneration and nomination.

During the year there were four planned board meetings, which were complimented by specific key meetings focusing on financial assurance, business development and informal strategy discussions. These meetings were supplemented by monthly board briefings by the Managing Director. In the last weeks of the year a number of emergency board meetings were held to assist in the management of the coronavirus response.

I would like to thank the NEDs for the skill, dedication and independent challenge that they have brought to the board, which has substantially improved its value.

During the year our independent internal auditors BDO carried out an audit of governance. On the whole they found that governance was well developed for a relatively young company. They have left some questions with the board to further enhance the management of the relationship with the council which it will attend to in the coming year.



Tim Sadler, Chair of Board, ODSL



Annual General Meeting

Our AGM will take place in autumn 2020. Details of the formal business of the meeting will follow. As last year we intend that this will be a wider opportunity to engage with our many stakeholders as well as reporting formally to our shareholder. We look forward to meeting with our shareholders and stakeholders on that occasion.

Managing Director's statement

2019/20 was our second year of trading as a company. The first year exceeded our expectations. The second year was more challenging which raised a question. Given ODS was established to return value to our shareholder through delivering efficient, value for money public services, and by generating long term sustainable growth in income through external trading, did we succeed?

In terms of public service provision, more than 85% of our key performance indicators were above, at or very near target. **In our main service lines of street cleansing, housing repairs and recycling and waste, customers scored us 4.6 out of 5. Strong performance.**

Regarding growing external trading, our revenue has increased year on year.

So, I believe the immediate answer to both questions is yes, but as I say the second year was tougher. Looking ahead I think we will build on what we have achieved in delivering public services. We understand our customers better. We offer more flexibility in how and when we deliver services. We are listening, learning and putting this learning into action and Oxford city centre is a good example of this. With a new management regime in place I believe we have improved standards of cleanliness in the last 18 months and evidence bears this out.



Simon Howick
Managing Director
ODSL



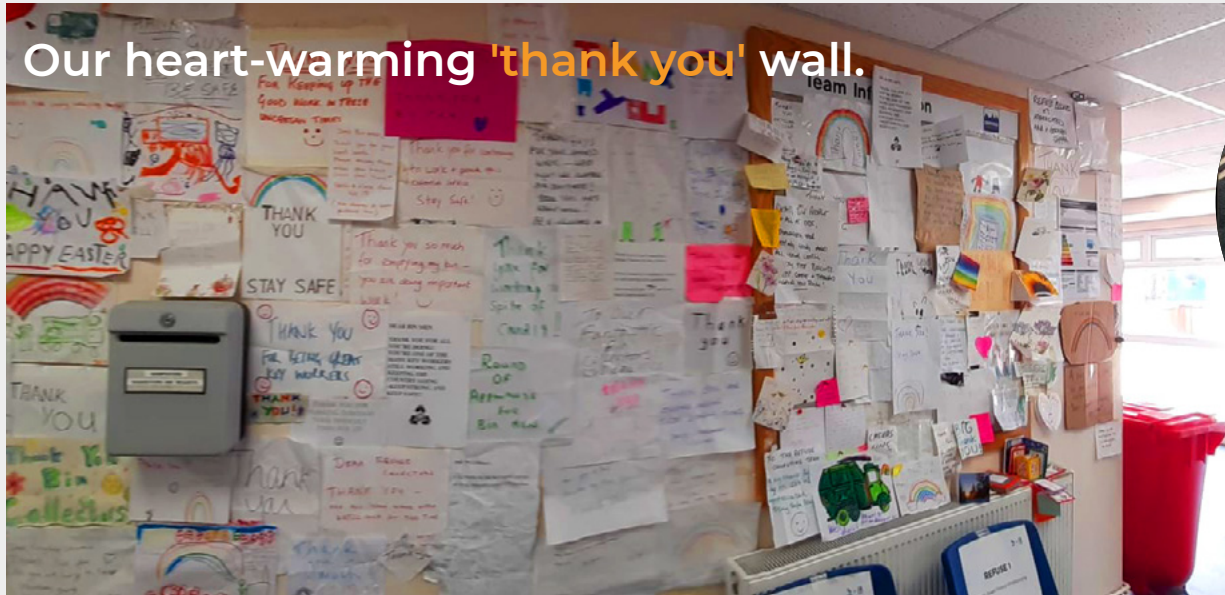
But for growth we need to be sharper. Target with precision the opportunities rather than peppering the market with more speculative attempts. We have unique selling points. Not many others in the commercial space put money back in the public purse. Backed by our shareholder (Oxford City Council) we have the security desired by many potential customers in that we will still be in business to complete the work in full. There are customers that value this more than others and it is with these we wish to form more strategic alliances - sharper, more discerning with business development.

With an operating profit of £2m we performed well and despite the current COVID-19 environment we have further plans to grow, once trading conditions return to normal. Or at least a new normal.

“ With an operating profit of £2m we performed well and despite the current COVID-19 environment we have further plans to grow... ”



Our heart-warming 'thank you' wall.



The past few months have been amongst our finest, doing our bit to respond to a global crisis. **650 plus employees who can and will respond.** One of the many inspirational moments has been the warmth with which our recycling and waste colleagues have been received, **often applauded at times for keeping the service running.** An essential frontline operation, without which we would risk a public health crisis, our colleagues turning up day after day to make sure the job gets done.



ODS is full of these people and I am immensely proud of them.



Watch our video here...

Stuart Parsons's heart felt gratitude to the public for their support had the highest number of views on Oxford City Council's twitter post.

Electric Vehicles (EVs)

We made good progress with our carbon reductions this year. In a fleet of 330 we have about 25 electric or ultra-low carbon vehicles. We ordered 30 more electric vehicles to replace some diesels in our fleet. Given the tens of thousands of journeys we undertake every year, this will have a positive impact on our local environment and shows that with some ambition organisations can take more than just little steps.

Looking ahead, I see a positive future. The continuation of our doing good journey. Learning from COVID-19 that we can run the business more efficiently, sometimes more remotely, driving out more savings, and creating a lower cost base which will help drive growth. This doesn't mean slash and burn – it means a planned approach to managing the cost base more effectively for the benefit of all. Companies that don't evolve tend not to survive. **For ODS I believe we will continue to thrive.**

My thanks to all the people at ODS, Oxford City Council and our partners who together help make your part of the world a great place to live, work and visit.



Simon Howick
Managing Director
ODSL

25
electric
or ultra-low
carbon
vehicles



Section 2

Strategic Report

Business Review

ODS is wholly owned by Oxford City Council. It was established to return value to our shareholder in two ways:

- through delivering efficient, value for money public services; and
- through external trading, generating long term sustainable growth in income.

Our current Business Plan (2018/19 to 2021/22) set out with **four objectives**, 2019/20 being year two.

1) Plan and deliver additional revenue growth

ODS' external business revenue has grown by almost 50% during the period 2016/17 to 2019/20. We sell a range of commercial services including recycling and waste management, construction, highways and engineering, fleet management, grounds maintenance and cleansing. Feedback tells us customers value the services we provide. Looking ahead, we are increasingly identifying with companies who share our values and look to invest in longer term relationships where we can potentially offer a range of different services.



Marking out the way forward

2) Drive efficiency in Building Services

This project has gathered scale and has evolved into an end to end service transformation. With a modest £100k efficiency target originally agreed, this will be significantly outstripped with the implementation of a new IT system (Aareon QL) and change in materials supply chain provider. Other opportunities have been identified which will generate a more efficient, customer focused modern repairs and maintenance contractor, for delivery in 2020/21. Our Construction Team was also established, building their credentials and delivering large refurbishment projects such as Floyd's Row (£1.4m), an establishment which helps people at risk of and experiencing homelessness across Oxfordshire. **We also won our first new build housing contract, for eight zero carbon bungalows**, essential in reducing Oxford's housing shortage. Work began in May 2020.



Construction of 8 zero carbon bungalows

Floyd's Row handover



3) **Maximise the work ODS gets from its Shareholder, Oxford City Council**

Permissible under legislation, Oxford City Council can pass work directly to ODS, on the assumption the quality, value for money and State Aid tests are satisfied. More of a partnership than client and contractor, both parties benefit here. As client, the council gets a flexible contractor who delivers a lot of value outside of the contract price and it is the recipient of the profits ODS makes. As contractor, ODS gets a pipeline of work to further enhance our portfolio. Over the past months this relationship has found a rhythm which will help smooth the flow of work and deliver more projects for the benefits of the people of Oxford.

4) **Develop an organisation which can support our ambition**

As a former council department, ODS ran many services and had a good reputation. Inevitably though, as the focus shifted to a more commercial approach, investment has been necessary to develop or hire the right people to help take the organisation forward and deliver the shared ambition. The shape of ODS is changing. Whilst great service managers have continued to roll out services day to day, there is still room to compete more effectively in the market. Investment in sales, marketing, business development has been essential, along with support services who can deliver at the appropriate commercial pace and standards. A "Programme Management Office" was established this year to ensure ODS delivers its transformation agenda, introducing rigour, proper assessment of prospective benefits and tracking delivery of them.



The future

As we look ahead, already our plan has evolved. We see more opportunity for the wider transformation of the business, with a central feature being the rationalisation of our property portfolio.

Consolidation of our five depots into one has a number of benefits, not only delivering significant efficiencies but further establishing a platform for growth – by ensuring a lower cost base. We continue work on the business case for consideration by the shareholder in 2020. Our new operating model is due to go live in Building Services in late 2020 / early 2021 which will help set the blueprint for other parts of the organisation.

For our major client Oxford City Council, we think that offering services based on geographic areas has merits, equipping key decision makers with all the necessary levers to get things done with maximum efficiency and in minimum time.

In summary, we see the future in three dimensions:

Efficiency

Locality

Growth

Key Performance Indicators >

The Board monitors the progress of ODS by reference to a set of key performance indicators (KPI) as set out in the table opposite.

The company's primary financial KPI are revenue, profit, cash and shareholder returns.

For ODSL, revenue for the year was **£61.1m** (2019: £55.7m). We have made significant progress throughout the year in growing revenue largely driven by Major Projects in Building Services and S42/101 income in Engineering.

The improved revenue position resulted in a higher gross profit of **£16.8m** and gross profit percentage of **27.5%** (2019: £14.8m, 26.5%).

Administrative expenses grew to £14.8m (2019: £12.6m) mainly as a result of investment in the construction team, central resourcing to secure the appropriate leadership and good governance of ODS, consultancy fees relating to the company's transformation programme and an increase in depot leasing costs.

ODSL's profit before tax was **£1m** (2019: £1.6m) and profit after tax **£1.1m** (2018: £1.5m). The reduction in the year on year profit is mainly attributable to the investment in administrative expenses.

	2019/20	2018/19
Financial	£	£
Revenue	61,064,065	55,712,517
Profit after tax	1,069,735	1,502,613
Shareholder return	-	896,000
Cash	(704,412)	(1,680,651)
Engagement		
Customer satisfaction ¹	4.6/5.0	4.8/5.0
H&S		
Safety improvement notices	43	72
Workplace & activity inspection	4,095	3,034
Lost time (days) to injuries	204	331
RIDDOR reports	15	7
Environment		
tCO ₂ e per £m annual turnover	40.11	n/a
tCO ₂	2,413	n/a
Solar electricity generated	158,698	n/a

NOTES:

1. Customer satisfaction only started being measured in Q4 FY19. Since then the data set has been expanded and includes a significantly larger sample.
2. The measurement and disclosure of emissions is a new requirement introduced this year as part of the Streamlined Energy and Carbon Report.

Section 172 Statement

The directors have a duty to promote the success of the company under Section 172(1) of the Companies Act 2006, as follows:

(1) A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to —

(a) the likely consequences of any decision in the long term,

(b) the interests of the company's employees,

(c) the need to foster the company's business relationships with suppliers, customers and others,

(d) the impact of the company's operations on the community and the environment,

(e) the desirability of the company maintaining a reputation for high standards of business, and

(f) the need to act fairly as between members of the company.



 **ODS meets these requirements in the following ways:**

ODS adds value to the communities we operate in by delivering value for money services and solutions for local people, by local people in a sustainable way. In addition, we are committed to supporting the local community and circular economy by working closely with local organisations, supporting local suppliers and paying staff the **Oxford Living Wage**. The ODS Board is in the process of developing a corporate social responsibility and community investment plan that will embed an approach from the board level through to the frontline delivery.



 **Doing good for the long term**

Doing good for the community

Our **doing good** ethos extends to all parts of our business and underpins our short and long-term decision making across the organisation, including:

- achieving the right balance of cost, quality and social value in our commercial operation
- working with partners who share our core values
- engaging staff from our local community wherever possible, providing opportunities for those who find it most difficult to access job opportunities
- working closely with the Council, Elected Members and other key stakeholders to direct our activity towards supporting communities and localities wherever possible
- planning our growth strategy to accord with local ambition, including the carbon-neutral agenda.

In doing so, the board is working to balance the commercial imperative to achieve consistent dividend returns with our commitment to the city and its residents.



Our employees

Our workforce is key to our success.

Our people help us maintain our strong reputation for high standards of service in delivering our purpose. Working in partnership with two recognised trade unions, together we have brought success to ODS and our shareholder, Oxford City Council, through an engaged workforce, many of whom live in the communities we serve. Our values are held up as the way we do things, inspired by our staff, evidenced through them.

These are:

COMMITMENT



ASPIRATION



RESPECT



ENGAGEMENT



SAFETY



During our 2019 Staff Awards, we highlighted some of the stories of colleagues who showcased each of our values.



Health and Safety

Safety is one of our values and our top priority so it's worthy of specific reference in this document. The current focus is on the constantly changing landscape we find ourselves operating in. The provision of safe instruction and guidance in this situation has become more challenging; however, we remain confident in our approach to the good management of Health and Safety.

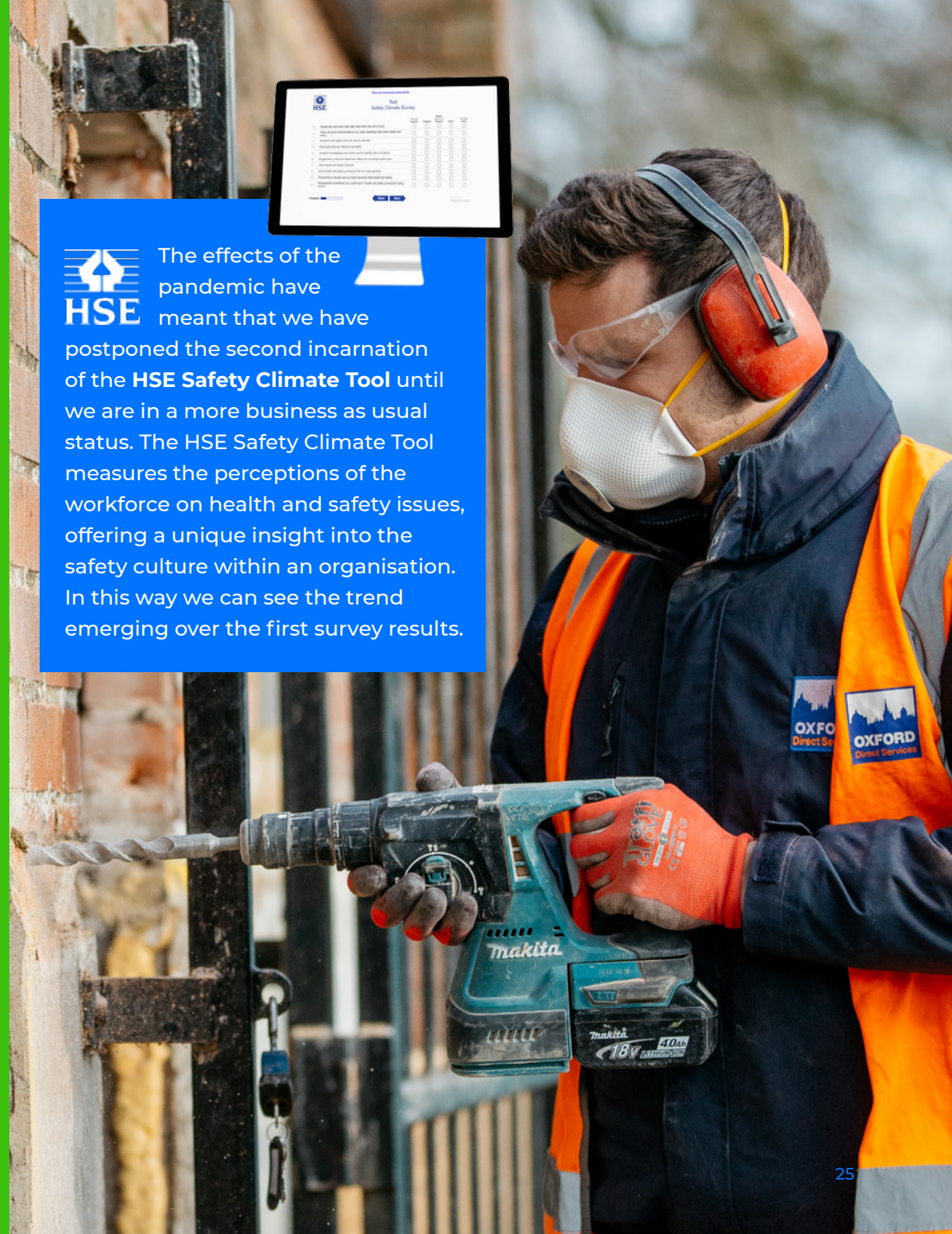
In terms of safety management, the challenges have been mainly associated with cultural maturity and behavioural aspects in safe working practices and effective communication in both operational workforce and management aspects.

The increase in the leading indicators of near miss reporting and site inspections are most welcome and reflect an uplift in both awareness and communication between manager and operatives on site. For the first time on record the number of near miss reports have been greater than the number of incidents recorded. This improvement is also reflected in a decrease in Safety Improvement Notices that highlight poor safety practice.

As ever these increases are not uniform and there remain pockets of excellence as well as challenging aspects of reporting and active measures across the organisation.

The most notable highlights in the leading indicators include:

- near miss reporting more than doubled, up over 136% year on year
- site inspections increased by 35%
- safety Improvement Notices down by almost 40%.



The effects of the pandemic have meant that we have postponed the second incarnation of the **HSE Safety Climate Tool** until we are in a more business as usual status. The HSE Safety Climate Tool measures the perceptions of the workforce on health and safety issues, offering a unique insight into the safety culture within an organisation. In this way we can see the trend emerging over the first survey results.

Great business built on doing good

ODS has many faces

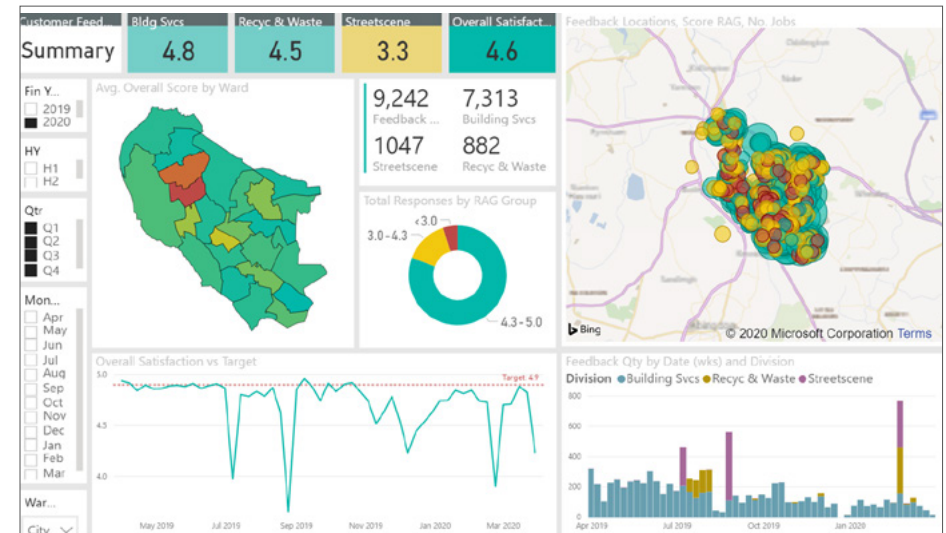
We are a supplier of key services to thousands of Oxford residents and many more visitors and workers. We are a customer to an extensive supply chain whereby we contribute millions to the local economy. We are a partner to Oxford City Council's other companies, playing our role in the group to the benefit of a wide number of stakeholders. We are a client in receipt of support services from Oxford City Council. Key to all this is a sense of shared values, objectives which are mutually beneficial, a recognition that there is a way for everyone to win through building and sustaining solid relationships.

Looking at three perspectives:

1. Customers

This year we really wanted to understand our customers better. Silence might be golden to some but to us we wanted to ask questions such as "What did they think of the services we run?" and "What improvements would they like to see?" The results, while pleasing, also gave us a focus of where to give our attention in future years.

An example of just some of the data gathered during the survey.



Key focus for 2020-2021

- **Improve customer experience** within Building Services by increasing first time fix and reducing additional visits.
- **Increase Waste and Recycling feedback** to drive up recycling figures, educational awareness and capture additional Streetscene feedback.
- **Developing effective feedback mechanisms** to measure our external trading services.



2. Suppliers

We agreed a new multi-million supply chain contract for our building materials, which will revolutionise the way we do business in this area. One key change is switching from a collection model to a deliver model. Our workforce will carry most of the stock they need and the remainder will be delivered to them on the job, by the supplier. This saves time and money. We see this new deal as a partnership with an established company with a base in Oxford, who convinced us that together we could achieve mutual benefit. We are happy to work with an organisation that is in tune with our **doing good** mindset and sees a bigger picture than just profit.

Payments to creditors

ODS complies with the Prompt Payment Code and in most cases exceeds this standard. Everyone is paid within the agreed contract terms or sooner:

- at the latest within 30 days of receipt of invoice
- anybody with an OX post code and registered with ODS as an SME is paid within 14 days of invoice receipt
- utility companies are paid on receipt of invoice.



3. Partners

A further initiative is the board's commitment to building a relationship with Oxford-based social enterprise **RAW**, a commercial business offering skills, training, employment and positive activity to vulnerable people in Oxford, reducing isolation and raising self-esteem. **ODS** have worked with RAW on projects such as the refurbishment of Floyd's Row Homeless Shelter in Oxford, whereby **ODS** donated several consignments of wood to RAW for them to recycle and repurpose into high quality furniture, the proceeds of which help further their social enterprise. This year alone RAW created over **12,000 hours of social impact** (source www.raw-workshop.co.uk).

ODS have contributed to that achievement through the relationship.

The community and the environment

2019/20 was the second year of trading for ODS and saw the evolution of the company's boards with the appointment of three non-executive directors. These appointments provide a key assurance to the Shareholder, providing the companies with additional external strategic expertise and giving the Board an increased independence. Regular shareholder meetings take place, NEDs have met key staff members to take soundings and the Board have overseen key initiatives such as a new brand launch in November 2019. This featured capitalising on the work of the company in regard to the triple bottom line opportunities presented by ODS.

Captured by a new concept of **doing good**, the board engaged with the Shareholder and wider stakeholder groups to ensure their perspectives were taken into account. This has materialised into added value activities being undertaken which have contributed to outcomes such as the Shareholder's zero carbon agenda. As a large user of vehicles in Oxford, in consultation with the Shareholder and following wide consultation with members of the community, ODS has set itself a challenging target of electrifying 25% of its fleet by 2023. A Citizens' Assembly (comprising a diverse range of stakeholders across Oxford) spent a couple of weekends focusing on climate change and agreed a set of aspirations to inform a city action plan. One theme was transport and ODS took action by ordering approximately **35 electric vehicles replacing diesel predecessors during the financial year**. This will have a positive impact on air quality, fuel savings and community leadership in taking action on the climate emergency declared by the shareholder (in its guise as Oxford City Council).

The first purpose built, fully integrated electric refuse collection vehicle in the UK



Streamlined energy and carbon report

As a Local Authority Trading Company, wholly owned by Oxford City Council, ODS maintains close alignment with the city council in terms of policy and objectives in regard of achieving a net zero city of Oxford.

The energy usage of ODS is incorporated into the Green Gas reporting of the city council which can be found here:

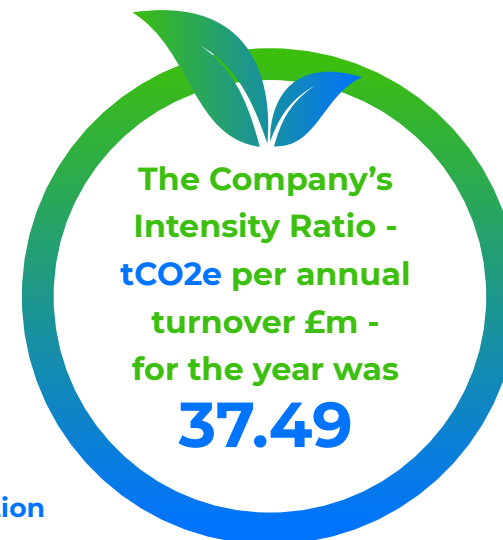


Download report here

The latest report, for the year 2018/19 demonstrates that the city council and its group of companies achieved a reduction of 40% over the period from 2014/15. This progress was driven by a target to reduce greenhouse gas emissions by 5% per annum. On its formation in 2017 ODS adopted that target and works closely with city council colleagues on steps to achieve this.

In addition to this, the city council has committed to become a **net zero city ahead of the UK national target date of 2050** and at a pace that ensures the notional carbon budget of the city is not expended before achieving net zero.

ODS fully supports this approach and will support the Zero Carbon Oxford Partnership to achieve this.



The table below sets out ODS energy consumption and emissions data for the year:

General summary CO2/CO2e emissions 2019/20			Summary by scope of emissions			
Emissions source	units	tCO2	tCO2e	Scope 1	tCO2	tCO2e
electricity/kWh	562,685	155	156	gas/kWh	176	177
gas/kWh	960,901	176	177	diesel	1,938	1,964
Fuel				gasoil	108	109
diesel/litres	757,122	1,938	1,964	unleaded	36	36
gasoil/litres	39,608	108	109	Total scope 1	2,258	2,286
unleaded/litres	16,465	36	36	Scope 2		
Totals		2,413	2,442	elec/kWh	143	144
Renewable energy generation		kWh	%	Scope 3		
Solar electricity generated		158,698	28.2%	T&D/kWh	12	12
Solar electricity used directly in ODS buildings		129,317	18.7%	Totals	2,413	2,442

NOTE:

Energy data sourced from OCC energy billing or metering systems (compiled by Andrew Sunderland, Energy and Natural Resources team). Carbon data compiled by Paul Spencer, Energy and Natural Resources team.

*Data quality/checks - Paul Robinson/Andrew Sunderland, Energy and Natural Resources team).

CO2 conversion figures from Defra/BEIS.

*Source: Defra/BEIS GHG conversion factors for company reporting 2019 - expires 31/07/20.

<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2019>

Energy efficiency measures

The principal measures taken during the year to increase the company's energy efficiency consisted of the following:

- The lighting in the main depots have been upgraded to LED. Lighting controls as well as large solar PV arrays have been installed at both the Horspath Road and Cowley Marsh depots – 49kWp and 125kWp solar PV systems, respectively. These generate around 160,000kWh per year (avoiding around 44 tCO₂e emissions). The main sites have smart metering and monitoring systems installed to track consumption patterns and respond to excess consumption in buildings
- In terms of our fleet we perform assessments of whether any vehicle due for replacement is actually needed on fleet. If it does, the option of replacing it with an alternative energy option, e.g. electric is explored
- ODS currently has about 25 pure electric vehicles in the fleet, up three from last year, and there are currently a further approximately 30 on order
- Route optimisation software and telematics to monitor vehicle journeys are utilised to help create more efficient routes reducing distances travelled. The telematics system also enables analysis of vehicle and driver performance, which in turn is leveraged in the design of comprehensive training programmes for drivers to adopt a more energy efficient driving style
- A green travel policy is in place that challenges whether the use of a fleet vehicle is needed to make a journey or whether there is an alternative such as tele-conferencing, public transport, car sharing, walking, cycling or the use of electric bikes.



High standards of business conduct

Our Audit Committee are currently overseeing a review of the governance framework in order to modernise its principles and processes. The new framework will drive the highest levels of business standards and best practice, aligning these with ODS's purpose, values, strategy and culture. The board will continue to oversee all core activities and will look to obtain useful insight through effective dialogue with our key stakeholders.



Our shareholder

Wholly owned by Oxford City Council, we regularly engage with our sole shareholder to ensure we maintain a dialogue about strategy and objectives, hear and respond to their checks and challenges and continue to contribute to the wider interests of the Oxford City Council group of companies.

Resurfacing project completed at Magdalen Street.

Key risks, uncertainties and opportunities

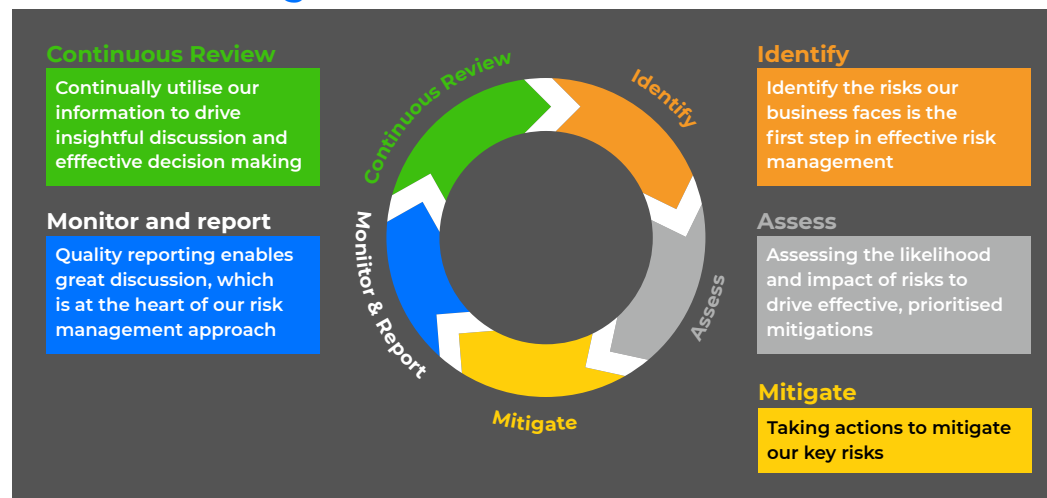
The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls.

All policies are subject to board approval and ongoing review by management, risk management and internal audit. BDO have been appointed as internal auditors with the objective of helping management improve risk management, governance and internal control to reduce the effects of any significant risks facing the organisation. Compliance with regulation, legal and ethical standards is a high priority for ODS and the compliance team and finance department take on an important oversight role in this regard. The Audit and Risk Committee is responsible for satisfying itself that a proper internal control framework exists to manage key risks and that controls operate effectively.

Key areas considered by the audit committee during the year included: the results of audit work and management's progress to resolve issues and risks identified; the 3 year internal audit programme and the mapping of these audits to the key risks facing the business; a review of the governance, risk and assurance framework including information risks; a review of anti-bribery, fraud and corruption and whistle-blowing policies.

COVID-19 emerged towards the end of the financial year and although not material in terms of trading in 2019/20, the impact is expected to be significant in the new financial year and beyond. Plans are emerging to safeguard the business through this crisis.

ODS Risk Management Process



Key Risk	Risk movement	Mitigations / Action(s) being taken
1. Failure of Health and Safety Management	↔	Developing and embedding a safety culture supported by a dedicated HSE management team
2. Changing council priorities, work programmes or budgetary changes	✓	Continue to develop Council commissioning arrangements and diversify customer base
3. Fraud	↔	Continuing to implement improvements to our internal controls
4. Insufficient depot facilities to support current or future operations	↑	Maintaining temporary depot arrangements whilst developing a plan to relocate to permanent purpose-built facilities
5. Data breach	↔	Continue to development the data protection regime and undertake regular compliance audits
6. COVID-19	↑	Continue developing mitigation plans in collaboration with the Council

Section 3

Directors' Report

Principal activities

The principal activity of the company is the provision of services to Oxford City Council under a 20-year operating agreement. ODS was formed as a Local Authority Trading Company in April 2017 for the purpose of maintaining the council's housing stock, parks and streets and providing statutory services such as waste collection. Furthermore, the Company generates external revenue from providing services to local communities, organisations and businesses such as vehicle servicing and MOT testing as well as construction work and property maintenance.

Financial review

The results of ODSL for the year show a profit on ordinary activities before tax of **£1,034,122** (2019: £1,637,792). The shareholder's funds grew to **£1,676,349** (2019: £1,502,614).

The performance during 19/20 has produced encouraging results with revenue growing by 9.6% to £61.1m (2019: £55.7m). Gross profit improved accordingly to **£16.8m** (2019: £14.8m) with an improvement in gross margin from 26.5% in 2019 to 27.5%. Investment in the management of the construction team, however, was made on the expectation of higher levels of major projects income from the Council. This coupled with delayed systems changes, aimed at driving down costs, resulted in a net profit of **£1.07m**, £0.4m lower than last year. Towards the end of the financial year various measures were introduced to control cost reducing agency labour by some 40% and putting in place a recruitment freeze in anticipation of more difficult trading conditions in the coming year.



The emergence of the COVID-19 pandemic at the back end of the financial year has only had a marginal impact on the results as some major projects were paused pending a review. The impact on 20/21 will be significant and plans are in place to mitigate against this wherever possible.

The company expects to pursue this principal activity for the foreseeable future.

Directors

Directors during this financial year were Timothy Sadler, Simon Howick and Aled Bath (who resigned on 13th December 2019).

NEDs Catherine Pridham and Justine Brown joined the Board on 26 July 2019 and Michael Whitwell was appointed on 1 September 2019.

Going concern

Management has prepared detailed budgets which support the appropriateness of the going concern assumption. The wider economic climate has been severely impacted by the COVID-19 pandemic and increases the overall risk to financial liquidity. However, management have assessed the company's exposure to this increased risk level and has come to the conclusion that adequate controls and mitigation plans are in place. Therefore, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least one year from the date that the financial statements are signed. For this reason, they continue to adopt the going concern basis in preparing the financial statements.



Corporate governance

a. Background and corporate structure

Both **Oxford Direct Services Limited (ODSL)** and **Oxford Direct Services Trading Limited (ODSTL)** commenced trading on 1st April 2018. The company is limited by shares and is wholly owned by Oxford City Council. ODS holds “Teckal” status (under s12 (1) of the Public Contract Regulations 2015) and is designed to trade primarily with its parent Authority through contracts under which it provides a wide range of the Council’s statutory and other services.

As the sole shareholder of ODS, Oxford City Council has established a shareholder group (comprised of the members of the council’s Cabinet) through which the council exercises control over the company and by which it holds the company directors to account. In addition, shortly after the creation of the company, the council entered into a shareholder’s agreement, to record and formalise its requirements of ODS. The shareholder group holds formal meetings with the company directors on a quarterly basis, to receive reports on company performance, finances and proposals, to set and/or confirm the company’s strategic direction, and to enact any matters reserved to the shareholder (e.g. consideration/approval of the Business Plan, appointment of directors, etc.). All company reports received by the shareholder group are subject to scrutiny by the council’s Company Scrutiny Panel, comprised of elected members with a mandate to scrutinise the actions of the Shareholder group.

b. Company board

When first formed, the board was comprised entirely of employees of Oxford City Council, but as time has passed, it has naturally become the case that increasingly the “executive” directors would be employees of ODS (currently the Managing Director is an ODS employee). While the current Chair of the Board remains an employee and director of the Council, the financial year 2019/20 has seen the addition to the board of three non-executive directors,



Corporate governance

Continued...

selected for their “external” market knowledge and expertise and to provide the board with an independence of approach. The Finance Director, appointed in August 2018 as an ODS employee, resigned in December 2019, and has yet to be replaced at Board level, although the Board has been able to draw on good finance support in the intervening period. The ODS board meets at least four times per year. During the period of “lockdown” resulting from the COVID-19 pandemic, Board meetings have been held “virtually”, with directors participating remotely through an electronic platform, in a manner consistent with the company’s Articles and Shareholder’s Agreement. The directors have recently acknowledged that the original Terms of Reference of the board have become somewhat outdated, and so new Terms of Reference have been drafted for board consideration and approval.

c. Committees

During the financial year 2019/20 the board of ODS established two new sub-committees, the Audit Committee and the Remuneration and Nominations Committee. Both are chaired by NEDs, report to the main board, and are designed to carry out specific and identified tasks, allowing more focused work to be carried out in these areas.



Corporate governance

Continued...

d. Scheme of delegation

Key to the successful operation of ODS is the creation and implementation of an appropriate Scheme of Delegation, which enables and facilitates the efficient day-to-day operation of the Company while retaining for the board sufficient control over major strategic and operational matters.

To this end a revised Scheme of Delegation was constructed during the final months of 2019, designed to meet the needs of an increasingly sophisticated management structure within the company, the need for “local” empowerment to satisfy customer demand, while ensuring that the board retained adequate authority over and visibility of the significant activities of the company. Following the example of a number of similar schemes of delegation, the ODS arrangements first identify and separate responsibility for various key decisions between the Shareholder (the reserved matters), the matters for decision by the board and the matters falling within the authority of the Managing Director. It then sets out the financial limits within which first Service Managers and then Heads of Service may use their authority (delegated from the MD) to undertake procurement activities, beyond which individual matters, depending on their value, would need to be authorised by the Finance Director, the Managing Director or ultimately the board.

This revised Scheme of Delegation was approved in principle by the ODS board in November 2019 and finalised in February 2020. Clearly, all Schemes of Delegation should be regularly reviewed and amended where appropriate, and the current arrangement will be further considered, and revised, on an ongoing basis.



3,225,706
Bins collected



Employees

The company continues to place a high priority on ensuring that its employment policies respect the individual, and offer career and personal development opportunities regardless of racial or ethnic origin, gender, age, religion, nationality, disability, sexual orientation or marital status. Full and fair consideration is given to the employment of all individuals and reasonable adjustments are made to accommodate the disabilities of ODS employees, whether those disabilities arose before or during their employment with the company.

ODS operates a system of collective bargaining with the recognised Trade Unions (Unison and Unite). Regular meetings are held between employee representatives and senior management, including the Chair of the Board and also joint meetings with the council's leadership team. Regular meetings are also held with a wider representative group including Trade Union representatives from across the organisation and key managers in the organisation as well as the HR team. Through these forums, employee representatives have early notice of key company information, changes and challenges and the opportunity to influence decision making.

Information is shared more widely with the workforce through the fortnightly newsletter, 'All ODS', via social media including a closed Facebook group page for employees, and regular face to face and video updates from the Managing Director and members of the Executive team.

The company operates within the framework of the Equality Act 2010 (previously the Disability Discrimination Act 1995 and 2005) and the Public Duty to Promote Disability Equality: Statutory Code of Practice.



ODS takes positive steps to attract disabled people through the efficient operation of company initiatives and the operation of the “Disability Confident” scheme, which makes the following commitments:

- to interview all disabled candidates who meet the minimum essential criteria
- to ensure a mechanism to discuss what can be done to ensure they can develop and use their abilities
- to make every effort, when employees become disabled, to ensure they stay in employment
- to take action to ensure all employees develop the appropriate level of disability awareness
- to review the commitments, what has been achieved and plan ways to improve on them.

The company also takes steps to promote positive attitudes towards disabled people and encourages and supports all members of the organisation to reach their full potential.

Financial risk management

Treasury functions are undertaken by the Council on behalf of the Company. The council provides a working capital facility which is managed on a pooled basis alongside the Council's funds.

ODS' bank balances are managed on a grouped basis with the council's accounts and therefore the company does not need an overdraft facility with its bankers.

The company leases its operational buildings and its vehicles from the council and pays interest at a fixed market rate on these arrangements therefore the company reduces any exposure to changes in interest rates in the short term.

Oxford City Council is the sole shareholder of the company and also the main customer. As such the credit risk to the company is deemed to be very low.

Results and dividends

The company made a profit after tax of **£1,069,735** for the period (£1,502,613 in FY19) which has been included within reserves. Given the current uncertainty caused by the COVID-19 pandemic it is recommended to postpone the decision on the declaration and payment of a dividend until later in the year when we will have a better understanding of how the pandemic has impacted the company's operations and financial performance.



Summary of accounts

Oxford Direct Services Limited

Statement of Comprehensive Income

For the period ended 31 March 2020

	2019/20	2018/19
	£	£
Revenue	61,064,065	55,712,517
Cost of Sales	44,281,192	40,959,228
Gross Profit	16,782,873	14,753,289
Administrative Expenses	14,818,572	12,573,209
Other Operating Income	74,095	-
Operating Profit	2,038,396	2,180,080
Interest Payable to Group Undertakings	1,004,274	542,288
Profit Before Taxation	1,034,122	1,637,792
Tax on Profit	(35,613)	135,179
Profit and Total Comprehensive Income and Expenditure	1,069,735	1,502,613

The income statement has been prepared on the basis that all operations are continuing operations.

Oxford Direct Services Limited

Statement of Financial Position

As of 31 March 2020

	2019/20	2018/19
	£	£
Property, Plant & Equipment	14,481,137	6,587,009
Long Term Debtors	30,211	-
Long Term Assets	14,511,348	6,587,009
Inventories	691,104	757,838
Short Term Debtors	6,913,979	8,599,075
Contract Assets	2,082,074	3,310,357
Current Assets	9,687,157	12,667,270
Cash and Cash Equivalents	(740,412)	(1,680,651)
Short Term Creditors	(9,570,859)	11,530,872
Contract Liability	-	(1,680)
Current Liabilities	(10,311,271)	(13,213,203)
Long Term Creditors	(54)	(54)
Finance Lease Liabilities	(12,210,831)	(4,538,408)
Long Term Liabilities	(12,210,885)	(4,538,462)
Net Assets	1,676,349	1,502,614
Called up Share Capital	1	1
Retained Earnings	1,676,348	1,502,613
Equity	1,676,349	1,502,614

Oxford Direct Services Limited

Statement of Cashflows

For the period ended 31 March 2020

	2019/20	2018/19
	£	£
Profit and Total Comprehensive Income and Expenditure	1,069,735	1,502,613
Adjustments for: Decrease / (Increase) in Trade, Other and Long Term Receivables	1,654,885	(8,599,075)
Decrease / (Increase) in Contract Assets	1,228,283	(3,310,357)
(Decrease) / Increase in Trade, Other and Long Term Payables excluding Financing Activities	55,980	7,416,964
(Decrease) / Increase in Contract Liabilities	(1,680)	1,680
Decrease / (Increase) of Inventory	66,734	(757,838)
Interest Expense	1,004,274	197
Depreciation	2,326,153	1,935,755
(Gain) / Loss on Asset Disposal	(74,095)	-
Net Cash Flows from Operating Activity	7,330,269	(1,810,061)
Proceeds from the sale of Non Current Assets	103,252	-
Total Cash Flows from Investing Activities	103,252	-
Other receipts from Financing Activities	-	1
Loans (to) / from Parent Undertaking	(129,606)	129,606
Interest Payable to Group Undertakings	(1,376,486)	(197)
Dividend Payments	(896,000)	-
Payments for of a Finance Lease Liability	(4,091,191)	-
Total Cash Flows from Financing Activities	(6,493,282)	129,410
Net Increase/(Decrease) in Cash and Cash Equivalents	940,239	(1,680,651)
Cash and Cash Equivalents at the Beginning of the Reporting Period	(1,680,651)	-
Cash and Cash Equivalents at the End of the Reporting Period	(740,412)	(1,680,651)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company will not continue in business.

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

Statement of Disclosure to Auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor is aware of that information.

By Order of the board



Tim Sadler

Chair of Board

OCT 30 2020

Oxford Direct Services Limited

Company Information

Directors	Timothy Paul Sadler Simon Howick
Secretary	Lindsay David Cane
Company Registration Number	10719222 (England and Wales)
Incorporation Date	10 April 2017

Registered Office

St Aldates Chambers,
109 St Aldates,
Oxford,
England,
OX1 1DS

Auditor

Mazars LLP,
45 Church Street,
Birmingham,
West Midlands,
B3 2RT

Business Addresses

Marsh Road Depot,
Marsh Road,
Oxford,
England,
OX4 2HH

Horspath Road Depot,
Horspath Road,
Oxford,
England,
OX4 2RH



**We are here to build a new kind of business,
a better business, a business that's good for everyone.**

01865 335400
enquiries@odsgroup.co.uk

www.odsgroup.co.uk

ODS | Horspath Road | Oxford OX4 2RH

Oxford Direct Services Limited
Company Registration No. 10719222 (England and Wales)



Annual Report 19/20

For the period ended
31 March 2020

Doing good together

Oxford Direct Services Trading Limited
Company Registration No. 10719214 (England and Wales)



Oxford Direct Services
Trading Limited



Oxford Direct Services Trading Ltd
Annual Report 19/20

Contents

Section 4 | ODSTL Annual Report 19/20

Directors Report	47
Directors' Responsibilities Statement	56

Oxford Direct Services Trading Limited

Company Registration No. 10719214 (England and Wales)

Director's Report

For the period ended 31 March 2020

The directors present their report and financial statements for the period 1 April 2019 to 31 March 2020.

Directors

Directors during this financial year were Timothy Sadler, Simon Howick and Aled Bath (who resigned on 13 December 2019). Non-executive directors Catherine Pridham and Justine Brown joined the Board on 26 July 2019 and Michael Whitwell was appointed on 1 September 2019.

Company strategy and key objectives

Oxford Direct Services Trading Limited (“**ODSTL**”) was formed on 10 April 2018 as a wholly owned and controlled company by Oxford City Council. The company was set-up to offer commercially traded services working in conjunction with its sister company **Oxford Direct Services Limited** (collectively referred to as “**ODS**”) and collaboration with stakeholders to offer services to local communities, organisations and businesses and began trading on 1 April 2018. Those services offered by the company reflect the values of the shareholder and are aligned to the council’s Corporate Plan to return value to the Shareholder, growing the contribution to the council’s financial resources. All of the contractual arrangements with Oxford City Council are on an arm’s length basis with all of the services charged for by the council being subject to an additional charge over the cost of the services provided. All treasury transactions, such as borrowing and investments, are charged on a state aid compliant basis so that there is no subsidy being provided to the company through these transactions.



The company was established with a vision for driving value through delivering efficient, value for money services and generating long term sustainable growth in income through external trading. **The company has a clear strategy and a 4-year business plan agreed with Oxford City Council that focuses on:**

- maximising the value we return to the shareholder
- delivering best in class services
- increasing market share with current and new customers
- product development offering new services, having developed these opportunities during the life of this plan
- a more streamlined council in synergy with the ODS endeavour.

Business review

The second year of trading saw underlying revenues grow by 2.7%. Direct costs as a percentage of sales were higher due to higher tipping fees in relation to recyclable waste and payroll inflation. Consequently, gross profit was down on the prior year by 4.7% at £1.32m (2019: £1.38m). Administrative expense increased by £0.3m largely due to payroll inflation and expected credit losses which have been recognised due to the onset of COVID-19. Profit after tax stood at £0.1m (2019: £0.4m). During FY21 the focus areas for the Company were:

- building on the first year's trading success to become fully established as a commercial waste company offering services across the wider Oxford city area
- continuing to develop our use of technology to improve how we operate our fleet and customer service.

Principal risks and uncertainties

The board reviews risk on a regular basis and currently the key risks include:

Key Risk	Mitigations / Action (s) being taken
1. Failure of Health and Safety Management	Developing and embedding a safety culture supported by a dedicated HSE management team
2. Fraud	Continuing to implement improvements to our internal controls
3. Insufficient depot facilities to support current or future operations	Maintaining temporary depot arrangements whilst developing a plan to relocate to permanent purpose built facilities
4. Data breach	Continue to development the data protection regime and undertake regular compliance audits
5. Covid-19	Continue developing mitigation plans in collaboration with the council

Financial instruments

Treasury operations

Treasury functions are undertaken by the council on behalf of the company. The council provides a working capital facility which is managed on a pooled basis alongside the council's funds.

Liquidity risk

The company's bank balances are managed on a grouped basis with the council's accounts, therefore the company does not need an overdraft facility with its bankers.

Interest rate risk

The company leases its operational buildings and its vehicles from the council and pays interest at a fixed commercial market rate on these arrangements therefore the company reduces any exposure to changes in interest rates in the short term.

Credit risk

Oxford City Council is the sole shareholder of the company and as such the credit risk to the company is very low.

Key Performance Indicators

Health and Safety

Safety is our key priority and ODSTL performance has continued to improve as accident reporting has improved and become more consistent, as has 'near misses' and unsafe condition reporting.

The current focus is on the constantly changing landscape we find ourselves operating in. The provision of safe instruction and guidance in this situation has become more challenging however we remain confident in our approach to the good management of health and safety.

In terms of safety management the challenges have been mainly associated with cultural maturity and behavioural aspects in safe working practices and effective communication in both operational workforce and management aspects.

The increase in the leading indicators of near miss reporting and site inspections are most welcome and reflect an uplift in both awareness and communication between manager and operatives on site. For the first time on record the number of near miss reports have been greater than the number of incidents recorded. This improvement is also reflected in a decrease in Safety Improvement Notices that highlight poor safety practice.

As ever these increases are not uniform and there remain pockets of excellence as well as challenging aspects of reporting and active measures across the organisation.

The most notable highlights in the leading indicators include:

- near miss reporting more than doubled, up over 136% year on year
- site inspections increased by 35%
- Safety Improvement Notices down by almost 40%.

The effects of the pandemic have meant that we have postponed the second incarnation of the HSE Safety Climate Tool until we are in a more business as usual status. The HSE Safety Climate Tool measures the perceptions of the workforce on health and safety issues, offering a unique insight into the safety culture within an organisation.



Site inspections
increased by
35%

Customer satisfaction

ODSTL has identified a number of areas to develop in its commercial business in terms of customer service. These include the establishment of an overarching growth strategy with individual sales plans for service lines. It also includes a focus on customers whereby we improve our understanding of their levels of satisfaction, new customer engagement and calculation of our added value. Capitalising on our new brand and 'doing good' strapline gives us a unique opportunity in the market.

Shareholder return

ODSTL measures overall financial performance with reference to shareholder returns. ODSTL has achieved the shareholder return as set out in year two of the medium term financial plan.

Quality Management

ODSTL is committed to the standards for Management System Accreditation and has successfully maintained accreditation under ISO 9001 and ISO 14001.



Results and dividends

The company made a **profit after tax of £95,663** for the period which has been included within reserves. Given the current uncertainty caused by the COVID-19 pandemic the board do not recommend the payment of a dividend.



Oxford Direct Services Trading Limited Statement of Comprehensive Income

For the period ended 31 March 2020

	2019/20	2018/19
	£	£
Revenue	4,344,079	4,230,393
Cost of Sales	3,028,956	2,851,001
Gross Profit	1,315,123	1,379,392
Administrative Expenses	1,203,618	931,411
Operating Profit	111,505	447,981
Investment Income	6,597	-
Interest Payable to Group Undertakings	-	145
Profit Before Taxation	118,102	447,836
Tax on Profit	22,439	85,089
Profit and Total Comprehensive Income and Expenditure	95,663	362,747

Oxford Direct Services Trading Limited Statement of Financial Position

As of 31 March 2020

	2019/20	2018/19
	£	£
Short Term Debtors	345,315	334,513
Cash and Cash Equivalents	877,816	1,999,649
Current Assets	1,223,131	2,334,162
Short Term Creditors	(1,115,095)	(1,970,789)
Current Liabilities	(1,115,095)	(1,970,789)
Long Term Creditors	(625)	(625)
Long Term Liabilities	(625)	(625)
Net Assets	107,411	362,748
Called up Share Capital	1	1
Retained Earnings	107,410	362,747
Equity	107,411	362,748

The income statement has been prepared on the basis that all operations are continuing operations.

Summary of accounts

Continued...

Oxford Direct Services Trading Limited

Statement of Cashflows

For the period ended 31 March 2020

	2019/20	2018/19
	£	£
Profit and Total Comprehensive Income and Expenditure	95,663	362,747
Adjustments for:		
Decrease / (Increase) in Trade Receivables	(10,802)	(334,513)
Decrease) / Increase in Trade Payables	(855,694)	1,971,414
Interest Expense	145	-
Net Cash Flows from Operating Activity	(770,688)	1,999,648
Other receipts from Financing Activities	-	1
Interest Payable to Group Undertakings	(145)	-
Dividend Payments	(351,000)	-
Total Cash Flows from Financing Activities	(351,145)	1
Net Increase in Cash and Cash Equivalents	(1,121,833)	1,999,649
Cash and Cash Equivalents at the Beginning of the Reporting Period	1,999,649	-
Cash and Cash Equivalents at the End of the Reporting Period	877,816	1,999,649

Employee involvement

The company has no employees. Staff are provided to ODSTL by its sister company Oxford Direct Services Limited (ODSL).

ODS operates a system of collective bargaining with the recognised Trade Unions (Unison and Unite). Regular meetings are held between employee representatives and senior management, including the Chair of the Board and also joint meetings with the council's leadership team. Regular meetings are also held with a wider representative group including Trade Union representatives from across the organisation and key managers in the organisation as well as the HR team. Through these forums, employee representatives have early notice of key company information, changes and challenges and the opportunity to influence decision making.

Information is shared more widely with the workforce through the fortnightly newsletter, 'All ODS', via social media including a closed Facebook page for employees, and regular face to face and video updates from the Managing Director and members of the Executive team.

Future developments

During 2019 ODSTL continued the development of a new business plan focusing on a new operating model and depot facility. This should provide a platform for further growth and continue to support council priorities such as the transition to zero emissions. ODSTL's sister company, ODSL, has more than 30 additional electric vehicles on order which will improve ODST's carbon footprint.

Social responsibility

ODSTL adds value to the communities we operate in by delivering value for money services and solutions for local people, by local people in a sustainable way. In addition, ODSTL is committed to supporting the local community and circular economy by working closely with local organisations and supporting local suppliers. ODSTL's sister company ODSL pays its employees the Oxford Living Wage. The ODS Board is in the process of developing a corporate social responsibility and community investment plan that will embed an approach from the board level through to the front line delivery.

Board's view on the impact of COVID-19

COVID-19 emerged towards the end of the financial year and, although not significant in terms of trading in 2019/20, the impact is expected to be significant in the new financial year and beyond. Plans are emerging to safeguard the business through the crisis.

Going concern

Management has prepared detailed budgets which support the appropriateness of the going concern assumption. The wider economic climate has been severely impacted by the COVID-19 pandemic and increases the overall risk to financial liquidity. However, management has assessed the company's exposure to this increased risk level and have come to the conclusion that adequate controls and mitigation plans are in place. Therefore, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least one year from the date that the financial statements are signed. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Statement of Disclosure to Auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor is aware of that information.

On behalf of the board



Simon Howick
Managing Director
ODSTL

30 OCT 2020

Directors' Responsibilities Statement

For the period ended 31 March 2020

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company will not continue in business.

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

Oxford Direct Services Trading Limited

Company Information

Directors	Timothy Paul Sadler Simon Howick
Secretary	Lindsay David Cane
Company Registration Number	10719214 (England and Wales)
Incorporation Date	10 April 2017

Registered Office

St Aldates Chambers,
109 St Aldates,
Oxford,
England,
OX1 1DS

Auditor

Mazars LLP,
45 Church Street,
Birmingham,
West Midlands,
B3 2RT

Business Addresses

Marsh Road Depot,
Marsh Road,
Oxford,
England,
OX4 2HH

Horspath Road Depot,
Horspath Road,
Oxford,
England,
OX4 2RH



**Oxford Direct Services
Trading Limited**

Company Registration No. 10719214
(England and Wales)

**We are here to build a new kind of business,
a better business, a business that's good for everyone.**

01865 335400

enquiries@odsgroup.co.uk

www.odsgroup.co.uk

ODS | Horspath Road | Oxford OX4 2RH

Oxford Direct Services Trading Limited
Company Registration No. 10719214 (England and Wales)

