

ELLESMERE SAND & GRAVEL CO. LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

ELLESMERE SAND & GRAVEL CO. LIMITED

COMPANY INFORMATION

Directors	Mr J T Griffiths Mr S J Lawrence
Company secretary	Mrs C R Jackson
Registered number	0617910
Registered office	Wood Lane Ellesmere Shropshire SY12 0HY
Accountants	WR Partners Chartered Accountants Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED
STATUTORY FINANCIAL STATEMENTS OF ELLESMERE SAND & GRAVEL CO. LIMITED
FOR THE YEAR ENDED 31 MARCH 2023**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Ellesmere Sand & Gravel Co. Limited for the year ended 31 March 2023 which comprise the Balance sheet and the related notes from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at [https://www.icaew.com /regulation](https://www.icaew.com/regulation).

This report is made solely to the Board of directors of Ellesmere Sand & Gravel Co. Limited, as a body, in accordance with the terms of our engagement letter dated 20 June 2023. Our work has been undertaken solely to prepare for your approval the financial statements of Ellesmere Sand & Gravel Co. Limited and state those matters that we have agreed to state to the Board of directors of Ellesmere Sand & Gravel Co. Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Ellesmere Sand & Gravel Co. Limited and its Board of directors, as a body, for our work or for this report.

It is your duty to ensure that Ellesmere Sand & Gravel Co. Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Ellesmere Sand & Gravel Co. Limited. You consider that Ellesmere Sand & Gravel Co. Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Ellesmere Sand & Gravel Co. Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

WR Partners

Chartered Accountants

Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG
20 December 2023

ELLESMERE SAND & GRAVEL CO. LIMITED
REGISTERED NUMBER: 0617910

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	4	4,706,921	4,460,617
Investments	5	249,352	389,499
		<u>4,956,273</u>	<u>4,850,116</u>
Current assets			
Stocks	6	809,868	397,623
Debtors: amounts falling due within one year	7	3,731,395	3,602,588
Cash at bank and in hand	8	571,339	465,028
		<u>5,112,602</u>	<u>4,465,239</u>
Creditors: amounts falling due within one year	9	(1,287,870)	(615,039)
Net current assets		<u>3,824,732</u>	<u>3,850,200</u>
Total assets less current liabilities		<u>8,781,005</u>	<u>8,700,316</u>
Creditors: amounts falling due after more than one year	10	(1,515,710)	(1,629,337)
Provisions for liabilities			
Deferred tax	13	(262,764)	(183,503)
		<u>(262,764)</u>	<u>(183,503)</u>
Net assets		<u><u>7,002,531</u></u>	<u><u>6,887,476</u></u>

ELLESMERE SAND & GRAVEL CO. LIMITED
REGISTERED NUMBER: 0617910

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Capital and reserves			
Called up share capital	14	7,500	7,500
Capital redemption reserve		2,500	2,500
Profit and loss account		6,992,531	6,877,476
		<u>7,002,531</u>	<u>6,887,476</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 December 2023.

Mr J T Griffiths

Director

The notes on pages 4 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. General information

Ellesmere Sand & Gravel Co Limited is a private company, limited by shares, incorporated in England and Wales and registered in UK. The Company's registered office and principal place of business is located at Wood Lane, Ellesmere, Shropshire, SY12 0HY.

The principle activity of the Company is that of the sale of sand and gravel and leisure activities.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The Company, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible for the exemption to prepare consolidated accounts.

2.3 Going concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.5 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2021 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.8 Current and deferred taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Freehold property	- Not depreciated
Long-term leasehold property	- 5% straight line
Plant and machinery	- 20% reducing balance
Motor vehicles	- 25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Valuation of investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.12 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 method, less any impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 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.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.16 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

3. Employees

The average monthly number of employees, including directors, during the year was 14 (2022 - 13).

4. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation					
At 1 April 2022	3,444,310	909,203	2,687,384	38,207	7,079,104
Additions	-	61,021	338,943	135,268	535,232
Disposals	-	(212,150)	-	-	(212,150)
At 31 March 2023	3,444,310	758,074	3,026,327	173,475	7,402,186
Depreciation					
At 1 April 2022	-	722,811	1,869,768	25,908	2,618,487
Charge for the year on owned assets	-	37,104	205,534	6,176	248,814
Disposals	-	(172,036)	-	-	(172,036)
At 31 March 2023	-	587,879	2,075,302	32,084	2,695,265
Net book value					
At 31 March 2023	3,444,310	170,195	951,025	141,391	4,706,921
At 31 March 2022	3,444,310	186,392	817,616	12,299	4,460,617

The net book value of assets held under hire purchase agreements was £617,814 (2022: £339,729).

ELLESMERE SAND & GRAVEL CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

5. Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 April 2022	389,499
Disposals	(210,000)
Share of profit/(loss)	69,854
	<u>249,353</u>
At 31 March 2023	<u>249,353</u>

6. Stocks

	2023 £	2022 £
Raw materials and consumables	809,868	397,623
	<u>809,868</u>	<u>397,623</u>

7. Debtors

	2023 £	2022 £
Trade debtors	934,894	742,032
Amounts owed by group undertakings	2,728,754	2,838,754
Prepayments and accrued income	67,747	21,802
	<u>3,731,395</u>	<u>3,602,588</u>

8. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	571,339	465,028
	<u>571,339</u>	<u>465,028</u>

ELLESMERE SAND & GRAVEL CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

9. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank loans	200,000	140,000
Trade creditors	247,633	131,905
Corporation tax	-	64,124
Other taxation and social security	41,448	11,187
Obligations under finance lease and hire purchase contracts	127,495	93,812
Other creditors	671,294	174,011
	<u>1,287,870</u>	<u>615,039</u>

10. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Other loans	1,150,000	1,410,000
Net obligations under finance leases and hire purchase contracts	365,710	219,337
	<u>1,515,710</u>	<u>1,629,337</u>

The mortgage is secured by fixed and floating charges over the freehold land at Frankton, Ellesmere.

Debenture containing fixed and floating charges over all property as well as assets of the Company.

Obligations under finance lease and hire purchase arrangements are secured against the fixed assets to which they relate.

The legal charge over the Freehold Land of Graianog Quarry 870294, CYM88433, CYM127882 and WA983797.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

11. Loans

Analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year		
Bank loans	200,000	140,000
	<u>200,000</u>	<u>140,000</u>
Amounts falling due 1-2 years		
Other loans	1,150,000	1,410,000
	<u>1,150,000</u>	<u>1,410,000</u>
	<u>1,350,000</u>	<u>1,550,000</u>

12. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2023 £	2022 £
Within one year	127,495	93,812
Between 1-5 years	365,710	219,337
	<u>493,205</u>	<u>313,149</u>

13. Deferred taxation

	2023 £
At beginning of year	(183,503)
Charged to profit or loss	(79,261)
At end of year	<u>(262,764)</u>

ELLESMERE SAND & GRAVEL CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

13. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(262,764)	(183,503)
	<u>(262,764)</u>	<u>(183,503)</u>

14. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
7,500 (2022 - 7,500) Ordinary shares of £1.00 each	<u>7,500</u>	<u>7,500</u>

15. Reserves

Profit & loss account

The profit and loss accounts represents the accumulated profits of the Company since incorporation less distributions made to shareholders.

16. Contingent liabilities

T G Builders Merchants Ltd, Tudor Griffiths Limited, Ellesmere Sand & Gravel co. Limited & Frankton Barns Limited (all companies with common ownership) are party to an omnibus guarantee & set off arrangement with Lloyds PLC.

17. Related party transactions

Sales to common control entities during the year totalled £770,118 (2022: £1,139,455) and purchases totalled £308,359 (2022: £272,022). The net amount owed from such entities at the year end was £630,659 (2022: £276,743).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.