

Company registration number 04941077 (England and Wales)

ASHGROVE GROUNDWORKS LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

ASHGROVE GROUNDWORKS LTD

COMPANY INFORMATION

Directors	Mr S Rodden Mr M Taylor
Secretary	Mr S Rodden
Company number	04941077
Registered office	First Floor, Building 102 Wales 1 Business Park, Newport Road, Magor Caldicot Wales NP26 3DG
Auditor	Azets Audit Services Ty Derw, Lime Tree Court Cardiff Gate Business Park Cardiff United Kingdom CF23 8AB

ASHGROVE GROUNDWORKS LTD

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ASHGROVE GROUNDWORKS LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2023

The directors present their annual report and financial statements for the year ended 30 April 2023.

Principal activities

The company's principle activity is groundworks construction on residential housing developments.

The company made a profit before tax in the year of £839,000 (2022: £556,000). At 30 April 2023 the company has net assets of £1,587,000 (2022: £915,000).

Results and dividends

The results for the year are set out on page 6.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr S Rodden

Mr M J H Holden

Mr M Taylor

(Resigned 27 September 2023)

Auditor

Azets Audit Services were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

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 company's auditor is aware of that information.

On behalf of the board

Mr S Rodden

Director

26 January 2024

ASHGROVE GROUNDWORKS LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 APRIL 2023

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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.

ASHGROVE GROUNDWORKS LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASHGROVE GROUNDWORKS LTD

Opinion

We have audited the financial statements of Ashgrove Groundworks Ltd (the 'company') for the year ended 30 April 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

ASHGROVE GROUNDWORKS LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ASHGROVE GROUNDWORKS LTD

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

ASHGROVE GROUNDWORKS LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ASHGROVE GROUNDWORKS LTD

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

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

Andrew Howells (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

26 January 2024

Chartered Accountants
Statutory Auditor

Ty Derw, Lime Tree Court
Cardiff Gate Business Park
Cardiff
United Kingdom
CF23 8AB

ASHGROVE GROUNDWORKS LTD

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2023

	Notes	2023 £'000	2022 £000
Turnover	3	19,863	18,382
Cost of sales		(18,212)	(17,252)
Gross profit		1,651	1,130
Administrative expenses		(788)	(558)
Other operating income		4	-
Operating profit	4	867	572
Interest payable and similar expenses	7	(28)	(16)
Profit before taxation		839	556
Tax on profit	8	(167)	(124)
Profit for the financial year		672	432

The profit and loss account has been prepared on the basis that all operations are continuing operations.

ASHGROVE GROUNDWORKS LTD

BALANCE SHEET

AS AT 30 APRIL 2023

		2023		2022	
	Notes	£'000	£'000	£000	£000
Fixed assets					
Tangible assets	9		556		548
Current assets					
Stocks	10	281		199	
Debtors	11	3,770		3,176	
Cash at bank and in hand		175		333	
		<u>4,226</u>		<u>3,708</u>	
Creditors: amounts falling due within one year	12	<u>(2,677)</u>		<u>(2,844)</u>	
Net current assets			<u>1,549</u>		<u>864</u>
Total assets less current liabilities			<u>2,105</u>		<u>1,412</u>
Creditors: amounts falling due after more than one year	13		(380)		(415)
Provisions for liabilities					
Deferred tax liability	15	<u>138</u>	<u>(138)</u>	<u>82</u>	<u>(82)</u>
Net assets			<u><u>1,587</u></u>		<u><u>915</u></u>
Capital and reserves					
Called up share capital	17		-		-
Profit and loss reserves			<u>1,587</u>		<u>915</u>
Total equity			<u><u>1,587</u></u>		<u><u>915</u></u>

The financial statements were approved by the board of directors and authorised for issue on 26 January 2024 and are signed on its behalf by:

Mr S Rodden
Director

Company Registration No. 04941077

ASHGROVE GROUNDWORKS LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2023

	Share capital	Profit and loss reserves	Total
	£'000	£'000	£'000
Balance at 1 May 2021	-	483	483
Year ended 30 April 2022:			
Profit and total comprehensive income for the year	-	432	432
	<hr/>	<hr/>	<hr/>
Balance at 30 April 2022	-	915	915
Year ended 30 April 2023:			
Profit and total comprehensive income for the year	-	672	672
	<hr/>	<hr/>	<hr/>
Balance at 30 April 2023	-	1,587	1,587
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

ASHGROVE GROUNDWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies

Company information

Ashgrove Groundworks Ltd is a private company limited by shares incorporated in England and Wales. The registered office is First Floor, Building 102, Wales 1 Business Park, Newport Road, Magor, Caldicot, Wales, NP26 3DG.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Edenstone Holdings Limited. These consolidated financial statements are available from its registered office, First Floor, Building 102 Wales 1 Business Park, Newport Road, Magor, Caldicot, Wales, NP26 3DG.

1.2 Going concern

The directors have prepared the financial statements on a going concern basis which they consider appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonable possible downsides and the anticipated impact of the current economic environment on the operations and its financial resources, the company will have sufficient funds to meet its liabilities as they fall due for that period.

The company performs groundworks construction on residential housing developments, predominantly for other entities within the group headed by the company's immediate parent, Edenstone Holdings Limited. The company's revenues and profits are therefore dependent on the development activity of other companies within the group of which it is a member.

ASHGROVE GROUNDWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies

(Continued)

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business. Turnover excludes value added tax.

Revenue for groundwork services is recognised when the related service is performed.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	5 years
Office equipment	5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

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

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

ASHGROVE GROUNDWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies

(Continued)

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

ASHGROVE GROUNDWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

ASHGROVE GROUNDWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

ASHGROVE GROUNDWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

3 Turnover

Turnover is derived solely from groundworks construction on residential housing developments within the UK.

4 Operating profit

	2023 £'000	2022 £'000
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	9	8
Depreciation of owned tangible fixed assets	3	3
Depreciation of tangible fixed assets held under finance leases	144	78
Operating lease charges	109	36
	<u>265</u>	<u>125</u>

Auditor's remuneration of £9,000 (2022: £7,500) was borne by fellow group company, Edenstone Homes Limited.

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Management	1	1
Administration	4	4
Operations	74	56
	<u>79</u>	<u>61</u>
Total	<u>79</u>	<u>61</u>

Their aggregate remuneration comprised:

	2023 £'000	2022 £'000
Wages and salaries	3,200	2,286
Social security costs	332	242
Pension costs	60	49
	<u>3,592</u>	<u>2,577</u>

6 Directors' remuneration

	2023 £'000	2022 £'000
Remuneration for qualifying services	100	112
Company pension contributions to defined contribution schemes	1	-
	<u>101</u>	<u>112</u>

ASHGROVE GROUNDWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

7 Interest payable and similar expenses

	2023	2022
	£'000	£'000
Interest on finance leases and hire purchase contracts	28	16
	<u>28</u>	<u>16</u>

8 Taxation

	2023	2022
	£'000	£'000
Current tax		
UK corporation tax on profits for the current period	153	41
Adjustments in respect of prior periods	(41)	-
	<u>112</u>	<u>41</u>
Deferred tax		
Origination and reversal of timing differences	55	83
	<u>55</u>	<u>83</u>
Total tax charge	<u>167</u>	<u>124</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023	2022
	£'000	£'000
Profit before taxation	839	556
	<u>839</u>	<u>556</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.50% (2022: 19.00%)	164	106
Adjustments in respect of prior years	(41)	-
Effect of change in corporation tax rate	-	18
Depreciation on assets not qualifying for tax allowances	(8)	-
Other non-reversing timing differences	52	-
	<u>167</u>	<u>124</u>
Taxation charge for the year	<u>167</u>	<u>124</u>

Factors that may affect future tax charges

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. These changes will have a consequential effect on the company's future tax charge. The deferred tax asset at 30 April 2023 has been calculated at 25% (2022: 25%).

ASHGROVE GROUNDWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

9 Tangible fixed assets

	Plant and equipment £'000	Office equipment £'000	Total £'000
Cost			
At 1 May 2022	619	16	635
Additions	155	-	155
	<u>774</u>	<u>16</u>	<u>790</u>
At 30 April 2023			
Depreciation and impairment			
At 1 May 2022	78	9	87
Depreciation charged in the year	144	3	147
	<u>222</u>	<u>12</u>	<u>234</u>
At 30 April 2023			
Carrying amount			
At 30 April 2023	552	4	556
	<u>541</u>	<u>7</u>	<u>548</u>
At 30 April 2022			

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2023 £'000	2022 £'000
Plant and equipment	552	541

10 Stocks

	2023 £'000	2022 £'000
Raw materials and consumables	281	199

11 Debtors

	2023 £'000	2022 £'000
Amounts falling due within one year:		
Trade debtors	-	60
Amounts owed by group undertakings	3,593	3,039
Other debtors	174	69
Prepayments and accrued income	3	8
	<u>3,770</u>	<u>3,176</u>

Amounts owed by group undertakings have no fixed repayment date and no interest is charged.

ASHGROVE GROUNDWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

12 Creditors: amounts falling due within one year

	Notes	2023 £'000	2022 £'000
Obligations under finance leases	14	136	105
Trade creditors		2,091	2,589
Corporation tax		186	95
Other taxation and social security		105	-
Other creditors		42	-
Accruals and deferred income		117	55
		<u>2,677</u>	<u>2,844</u>

13 Creditors: amounts falling due after more than one year

	Notes	2023 £'000	2022 £'000
Obligations under finance leases	14	380	415
		<u>380</u>	<u>415</u>

14 Finance lease obligations

	2023 £'000	2022 £'000
Future minimum lease payments due under finance leases:		
Within one year	162	128
In two to five years	409	453
	<u>571</u>	<u>581</u>
Less: future finance charges	(55)	(61)
	<u>516</u>	<u>520</u>

The finance leases primarily relate to plant and machinery leased from a specialist leasing company. The average lease terms are 4 to 5 years. At the end of the lease terms the company has the option to purchase the assets at the scrap value of the machinery.

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2023 £'000	Liabilities 2022 £'000
Balances:		
Accelerated capital allowances	138	82
	<u>138</u>	<u>82</u>

ASHGROVE GROUNDWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

15 Deferred taxation (Continued)

	2023 £'000
Movements in the year:	
Liability at 1 May 2022	82
Charge to profit or loss	56
Liability at 30 April 2023	<u>138</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

16 Retirement benefit schemes

	2023 £'000	2022 £'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>60</u>	<u>49</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

17 Share capital

	2023	2022
Ordinary shares of £1 each	<u>1</u>	<u>1</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

18 Related party transactions

The company has taken advantage of the exemption contained in Section 33 of FRS102 and has therefore not disclosed transactions with other wholly owned entities within the same group.

19 Ultimate controlling party

The parent undertaking of the company which heads the largest and smallest group of undertakings for which group financial statements are drawn up, and of which the company is a member, is Edenstone Holdings Limited. The consolidated financial statements of Edenstone Holdings Limited are available to the public and may be obtained from Building 102, Wales One Business Park, Magor, NP26 3DG.

The directors consider there to be no ultimate controlling party.

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.