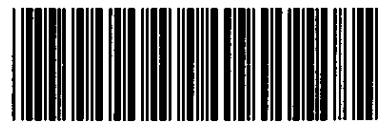


COMPANY REGISTRATION NUMBER: 07080098

**E C SURFACING LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 JULY 2023**

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E C SURFACING LIMITED
FINANCIAL STATEMENTS
PERIOD FROM 1 MARCH 2022 TO 31 JULY 2023

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E C SURFACING LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

J L Huxford (Resigned 24 April 2023)
E Davis
L Sutton
A J Newton (Appointed 22 May 2023)
L J Churchill (Appointed 24 April 2023)
K J N Bousfield (Appointed 24 April 2023)

Registered office

Ashcourt Group
Foster Street
Hull
East Riding Of Yorkshire
United Kingdom
HU8 8BT

Accountants

Streets LLP
Chartered Accountants
Tower House
Lucy Tower Street
Lincoln
Lincolnshire
LN1 1XW

E C SURFACING LIMITED

STRATEGIC REPORT

PERIOD FROM 1 MARCH 2022 TO 31 JULY 2023

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

The principal activity of the company during the period was that of road surfacing.

We consider that our key performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, gross margin and return on capital employed. The directors review and manage these indicators based on the monthly management accounts.

Average monthly Turnover of the company rose by 5.8% to £1,617,986. The directors are confident the turnover in 2023/24 will continue to improve.

The overall gross margin increased from 14.5% to 16.2% and remains satisfactory

The business has shown good progress during the period this has left the company in a good financial position at the period end

Overall operating profit was £172,460 despite strong market competition. After taxation £117,056 has been added to reserves

Return on capital employed has decreased from 31.5% to 6.2% and remains satisfactory. Return on capital employed is calculated as profit before interest and tax divided by capital employed, which constitutes total assets less current liabilities.

During the period the company redeemed and cancelled 20 A ordinary shares

In April 2023, EC Surfacing Limited became a subsidiary of Ashcourt Group Limited which became a person with significant control.

As for many businesses of our size, the business environment in which we operate continues to be challenging but we are confident that the company will maintain its market share. The company operates in markets where costs are constantly under review. The company manages its risks by continuing to develop its products and services and by working with customers to understand fully their requirements.

The company's credit risk is primarily attributable to its trade receivables. The amount presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Liquidity risk is managed by ensuring the banking facilities for the company are adequate to ensure liabilities can be settled as they fall due.

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside our control.

E C SURFACING LIMITED

STRATEGIC REPORT *(continued)*

PERIOD FROM 1 MARCH 2022 TO 31 JULY 2023

This report was approved by the board of directors on 26/4/24 and signed on behalf of the board by:



K J N Bousfield
Director

Registered office:
Ashcourt Group
Foster Street
Hull
East Riding Of Yorkshire
United Kingdom
HU8 8BT

E C SURFACING LIMITED

DIRECTORS' REPORT

PERIOD FROM 1 MARCH 2022 TO 31 JULY 2023

The directors present their report and the unaudited financial statements of the company for the period ended 31 July 2023.

Directors

The directors who served the company during the period were as follows:

E Davis	
L Sutton	
A J Newton	(Appointed 22 May 2023)
L J Churchill	(Appointed 24 April 2023)
K J N Bousfield	(Appointed 24 April 2023)
J L Huxford	(Resigned 24 April 2023)

Dividends

Particulars of recommended dividends are detailed in note 13 to the financial statements.

Events during the reporting period

On 7 April 2022 the company purchased and cancelled 20 A shares.

Disclosure of information in the strategic report

Information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the Strategic Report.

This report was approved by the board of directors on 26/4/24 and signed on behalf of the board by:



K J N Bousfield
Director

Registered office:
Ashcourt Group
Foster Street
Hull
East Riding Of Yorkshire
United Kingdom
HU8 8BT

E C SURFACING LIMITED
STATEMENT OF COMPREHENSIVE INCOME
PERIOD FROM 1 MARCH 2022 TO 31 JULY 2023

	Period from 1 Mar 22 to 31 Jul 23	Year to 28 Feb 22
	£	£
TURNOVER	4 27,505,757	18,358,578
Cost of sales	<u>23,063,521</u>	<u>15,699,167</u>
GROSS PROFIT	4,442,236	2,659,411
Administrative expenses	4,269,776	1,670,333
Other operating income	5 –	<u>7,725</u>
OPERATING PROFIT	6 172,460	996,803
Other interest receivable and similar income	10 –	17
Interest payable and similar expenses	11 48,960	<u>22,754</u>
PROFIT BEFORE TAXATION	123,500	974,066
Tax on profit	12 39,007	212,894
PROFIT FOR THE FINANCIAL PERIOD	84,493	<u>761,172</u>
Reclassification from fair value reserve to profit and loss account	<u>–</u>	<u>(15)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	84,493	<u>761,157</u>

All the activities of the company are from continuing operations.

The notes on pages 9 to 17 form part of these financial statements.

E C SURFACING LIMITED
STATEMENT OF FINANCIAL POSITION
31 JULY 2023

	Note	31 Jul 23 £	28 Feb 22 £
FIXED ASSETS			
Tangible assets	14	1,203,579	1,567,229
CURRENT ASSETS			
Debtors	15	4,256,141	4,001,978
Cash at bank and in hand		<u>763,231</u>	<u>846,456</u>
		5,019,372	4,848,434
CREDITORS: amounts falling due within one year	16	<u>3,485,358</u>	<u>3,246,762</u>
NET CURRENT ASSETS		<u>1,534,014</u>	<u>1,601,672</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,737,593	3,168,901
CREDITORS: amounts falling due after more than one year	17	611,885	240,167
PROVISIONS			
Taxation including deferred tax	19	<u>266,803</u>	<u>326,968</u>
NET ASSETS		<u>1,858,905</u>	<u>2,601,766</u>
CAPITAL AND RESERVES			
Called up share capital	23	65	85
Capital redemption reserve	24	35	15
Profit and loss account	24	<u>1,858,805</u>	<u>2,601,666</u>
SHAREHOLDERS FUNDS		<u>1,858,905</u>	<u>2,601,766</u>

For the period ending 31 July 2023 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the medium companies regime.

The statement of financial position
continues on the following page.
The notes on pages 9 to 17 form part of these financial statements.

E C SURFACING LIMITED
STATEMENT OF FINANCIAL POSITION *(continued)*
31 JULY 2023

These financial statements were approved by the board of directors and authorised for issue on ~~26/4/2024~~, and are signed on behalf of the board by:



K J N Bousfield
Director

Company registration number: 07080098

The notes on pages 9 to 17 form part of these financial statements.

E C SURFACING LIMITED
STATEMENT OF CHANGES IN EQUITY
PERIOD FROM 1 MARCH 2022 TO 31 JULY 2023

		Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total £
AT 1 MARCH 2021		100	–	2,594,267	2,594,367
Profit for the period				761,172	761,172
Other comprehensive income for the period:					
Reclassification from fair value reserve to profit and loss account		–	–	(15)	(15)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		–	–	761,157	761,157
Dividends paid and payable	13	–	–	(402,345)	(402,345)
Cancellation of subscribed capital		(15)	–	–	(15)
Redemption of shares		–	15	(351,413)	(351,398)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS		(15)	15	(753,758)	(753,758)
AT 28 FEBRUARY 2022		85	15	2,601,666	2,601,766
Profit for the period				84,493	84,493
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		–	–	84,493	84,493
Dividends paid and payable	13	–	–	(358,797)	(358,797)
Cancellation of subscribed capital		(20)	–	–	(20)
Redemption of shares		–	20	(468,557)	(468,537)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS		(20)	20	(827,354)	(827,354)
AT 31 JULY 2023		65	35	1,858,805	1,858,905

The notes on pages 9 to 17 form part of these financial statements.

E C SURFACING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 MARCH 2022 TO 31 JULY 2023

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Ashcourt Group, Foster Street, Hull, East Riding Of Yorkshire, HU8 8BT, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Ashcourt Group Limited. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

(a) No cash flow statement has been presented for the company.(b) Disclosures in respect of financial instruments have not been presented.(c) No disclosure has been given for the aggregate remuneration of key management personnel.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Tangible fixed assets are recognised at cost, less accumulated depreciation and any impairments. Depreciation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the company's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

E C SURFACING LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

PERIOD FROM 1 MARCH 2022 TO 31 JULY 2023

3. Accounting policies *(continued)*

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

When the outcome of a transaction involving the rendering of services can be reliably estimated, revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period.

When the outcome of a transaction involving the rendering of services cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all material timing differences at the reporting date.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 10% to 30% straight line
Fixtures and fittings	- 15% straight line
Motor vehicles	- 25% reducing balance

No depreciation is provided on buildings. The amount would not be significant to the accounts.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

E C SURFACING LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

PERIOD FROM 1 MARCH 2022 TO 31 JULY 2023

3. Accounting policies *(continued)*

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Financial instruments

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

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

4. Turnover

Turnover arises from:

	Period from 1 Mar 22 to 31 Jul 23 £	Year to 28 Feb 22 £
Road surfacing	<u>27,505,757</u>	<u>18,358,578</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Other operating income

	Period from 1 Mar 22 to 31 Jul 23 £	Year to 28 Feb 22 £
Rental income	<u>—</u>	<u>7,725</u>

E C SURFACING LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

PERIOD FROM 1 MARCH 2022 TO 31 JULY 2023

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	Period from 1 Mar 22 to 31 Jul 23	Year to 28 Feb 22
	£	£
Depreciation of tangible assets	806,764	542,208
Gains on disposal of tangible assets	(25,559)	(6,637)
Impairment of trade debtors	<u>125,382</u>	<u>158,359</u>

7. Auditor's remuneration

	Period from 1 Mar 22 to 31 Jul 23	Year to 28 Feb 22
	£	£
Fees payable for the audit of the financial statements	<u>—</u>	<u>5,250</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>—</u>	<u>42,395</u>

8. Staff costs

The average number of persons employed by the company during the period, including the directors, amounted to:

	31 Jul 23 No.	28 Feb 22 No.
Total staff	<u>112</u>	<u>68</u>

The aggregate payroll costs incurred during the period, relating to the above, were:

	Period from 1 Mar 22 to 31 Jul 23	Year to 28 Feb 22
	£	£
Wages and salaries	5,238,068	2,759,703
Social security costs	540,903	270,443
Other pension costs	<u>111,890</u>	<u>78,702</u>
	<u>5,890,861</u>	<u>3,108,848</u>

E C SURFACING LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
PERIOD FROM 1 MARCH 2022 TO 31 JULY 2023

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	Period from 1 Mar 22 to 31 Jul 23 £	Year to 28 Feb 22 £
Remuneration	150,464	77,605
Company contributions to defined contribution pension plans	2,583	19,200
	<u>153,047</u>	<u>96,805</u>

10. Other interest receivable and similar income

	Period from 1 Mar 22 to 31 Jul 23 £	Year to 28 Feb 22 £
Interest on cash and cash equivalents	—	17

11. Interest payable and similar expenses

	Period from 1 Mar 22 to 31 Jul 23 £	Year to 28 Feb 22 £
Interest on banks loans and overdrafts	3,506	—
Interest on obligations under finance leases and hire purchase contracts	45,454	22,561
Other interest payable and similar charges	—	193
	<u>48,960</u>	<u>22,754</u>

12. Tax on profit

Major components of tax expense

	Period from 1 Mar 22 to 31 Jul 23 £	Year to 28 Feb 22 £
Current tax:		
UK current tax expense	99,172	149,093
Adjustments in respect of prior periods	—	(29,050)
Total current tax	<u>99,172</u>	<u>120,043</u>
Deferred tax:		
Origination and reversal of timing differences	(60,165)	92,851
Tax on profit	<u>39,007</u>	<u>212,894</u>

Deferred tax has been provided at the expected rate of future reversal of 25%.

E C SURFACING LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

PERIOD FROM 1 MARCH 2022 TO 31 JULY 2023

12. Tax on profit *(continued)*

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the period is higher than (2022: higher than) the standard rate of corporation tax in the UK of 20.40% (2022: 19%).

	Period from 1 Mar 22 to 31 Jul 23 £	Year to 28 Feb 22 £
Profit on ordinary activities before taxation	<u>123,500</u>	<u>974,066</u>
Profit on ordinary activities by rate of tax	21,675	185,073
Adjustment to tax charge in respect of prior periods	–	(29,050)
Effect of capital allowances and depreciation	(23,095)	(24,162)
Permanent differences	40,427	7,101
Change in deferred tax rate	–	73,932
Tax on profit	<u>39,007</u>	<u>212,894</u>

13. Dividends

	31 Jul 23 £	28 Feb 22 £
Dividends paid during the period (excluding those for which a liability existed at the end of the prior period)	<u>358,797</u>	<u>402,345</u>

14. Tangible assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 March 2022	101,094	3,216,509	51,029	103,500	3,472,132
Additions	–	533,006	5,573	–	538,579
Disposals	(77,261)	(149,613)	–	–	(226,874)
At 31 July 2023	<u>23,833</u>	<u>3,599,902</u>	<u>56,602</u>	<u>103,500</u>	<u>3,783,837</u>
Depreciation					
At 1 March 2022	–	1,859,336	28,317	17,250	1,904,903
Charge for the period	–	767,026	9,191	30,547	806,764
Disposals	–	(131,409)	–	–	(131,409)
At 31 July 2023	<u>–</u>	<u>2,494,953</u>	<u>37,508</u>	<u>47,797</u>	<u>2,580,258</u>
Carrying amount					
At 31 July 2023	<u>23,833</u>	<u>1,104,949</u>	<u>19,094</u>	<u>55,703</u>	<u>1,203,579</u>
At 28 February 2022	<u>101,094</u>	<u>1,357,173</u>	<u>22,712</u>	<u>86,250</u>	<u>1,567,229</u>

E C SURFACING LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

PERIOD FROM 1 MARCH 2022 TO 31 JULY 2023

15. Debtors

	31 Jul 23	28 Feb 22
	£	£
Trade debtors	2,944,420	3,211,131
Amounts owed by group undertakings	432,303	–
Prepayments and accrued income	568,130	733,825
Other debtors	311,288	57,022
	<u>4,256,141</u>	<u>4,001,978</u>

16. Creditors: amounts falling due within one year

	31 Jul 23	28 Feb 22
	£	£
Bank loans and overdrafts	810,456	–
Trade creditors	1,920,502	2,359,503
Accruals and deferred income	71,008	33,248
Corporation tax	66,625	239,439
Social security and other taxes	104,721	81,750
Obligations under finance leases and hire purchase contracts	450,347	428,058
Director loan accounts	–	28,019
Other creditors	61,699	76,745
	<u>3,485,358</u>	<u>3,246,762</u>

Bank loans are secured on the assets of the company. Hire Purchase agreements are secured on the assets concerned.

17. Creditors: amounts falling due after more than one year

	31 Jul 23	28 Feb 22
	£	£
Obligations under finance leases and hire purchase contracts	<u>611,885</u>	<u>240,167</u>

Hire Purchase agreements are secured on the assets concerned.

18. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	31 Jul 23	28 Feb 22
	£	£
Not later than 1 year	450,347	428,058
Later than 1 year and not later than 5 years	611,885	240,167
	<u>1,062,232</u>	<u>668,225</u>

E C SURFACING LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
PERIOD FROM 1 MARCH 2022 TO 31 JULY 2023

19. Provisions

	Deferred tax (note 20) £
At 1 March 2022	326,968
Charge against provision	<u>(60,165)</u>
At 31 July 2023	<u>266,803</u>

20. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	31 Jul 23	28 Feb 22
	£	£
Included in provisions (note 19)	<u>266,803</u>	<u>326,968</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	31 Jul 23	28 Feb 22
	£	£
Accelerated capital allowances	<u>266,803</u>	<u>326,968</u>

21. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £109,307 (2022: £59,502).

22. Financial instruments

For financial instruments measured at fair value, the basis for determining fair value must be disclosed. When a valuation technique is used, the assumptions applied in determining fair value for each class of financial assets or financial liabilities must be disclosed. If a reliable measure of fair value is no longer available for ordinary or preference shares measured at fair value through profit or loss, this must also be disclosed.

23. Called up share capital

Issued, called up and fully paid

	31 Jul 23		28 Feb 22	
	No.	£	No.	£
Ordinary shares of £1 each	65	65	85	85

During the year the company redeemed and cancelled 15 A shares.

E C SURFACING LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
PERIOD FROM 1 MARCH 2022 TO 31 JULY 2023

24. Reserves

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

Profit and loss account - This reserve records retained earnings and accumulated losses.

25. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	31 Jul 23	28 Feb 22
	£	£
Not later than 1 year	3,250	15,000
Later than 1 year and not later than 5 years	—	10,000
	<u>3,250</u>	<u>25,000</u>

26. Related party transactions

The company was under the control of the previous shareholders until April 2023. J L Huxford was the managing director and majority shareholder of the company. From April 2023 became a wholly owned subsidiary of Ashcourt Group Ltd

Dividends paid in relation to the directors interests in the company were as follows:

	2023	2022
	£	£
J L Huxford	166,265	179,400
K Drant	89,700	152,474
L Sutton	71,760	87,128
E Davis	74,620	26,138
	<u>402,345</u>	<u>445,140</u>

During the period from April 2023, sales were made at normal rates to companies in which a group director is a shareholder of £266,667 net. At 31 July 2023 there were balances outstanding from these companies of £290,016.

No other transactions with related parties were undertaken as such as are required to be disclosed under FRS 102.