

Equestrian Surfaces Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 March 2019

Equestrian Surfaces Limited

Contents

Balance Sheet

[1](#) to [2](#)

Notes to the Financial Statements

[3](#) to [11](#)

Equestrian Surfaces Limited

(Registration number: 02075963) Balance Sheet as at 31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	4	403,055	292,378
Current assets			
Stocks	5	455,160	209,424
Debtors	6	945,549	639,378
Cash at bank and in hand		134,293	273,093
		<hr/> 1,535,002	<hr/> 1,121,895
Creditors: Amounts falling due within one year	7	<hr/> (1,534,247)	<hr/> (1,065,720)
Net current assets		<hr/> 755	<hr/> 56,175
Total assets less current liabilities		403,810	348,553
Creditors: Amounts falling due after more than one year	7	(177,266)	(151,496)
Provisions for liabilities		<hr/> (14,615)	<hr/> (8,873)
Net assets		<hr/> 211,929	<hr/> 188,184
Capital and reserves			
Called up share capital	8	114,503	114,503
Profit and loss account		<hr/> 97,426	<hr/> 73,681
Total equity		<hr/> 211,929	<hr/> 188,184

The notes on pages [3](#) to [11](#) form an integral part of these financial statements.

Equestrian Surfaces Limited

(Registration number: 02075963) Balance Sheet as at 31 March 2019

For the financial year ending 31 March 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 2 August 2019 and signed on its behalf by:

.....

R M Harper
Director

The notes on pages [3](#) to [11](#) form an integral part of these financial statements.

Equestrian Surfaces Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

Phoenix Works, Phoenix Way
Smallshaw Ind Estate
Burnley
Lancashire
BB11 5SX

These financial statements were authorised for issue by the Board on 2 August 2019.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments.

Foreign currency transactions and balances

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account.

Tax

The tax expense for the period comprises deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Equestrian Surfaces Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

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

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	25% p.a. reducing balance & over 5 years
Equipment	25% p.a. reducing balance & over 5 years
Motor vehicles	25% p.a. reducing balance
Leasehold improvements	Over 10 years

Research and development

Research and development expenditure is written off as incurred.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Equestrian Surfaces Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Leases

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated over the useful life of the asset. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Equestrian Surfaces Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 27 (2018 - 33).

Equestrian Surfaces Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

4 Tangible assets

	Improvements to leasehold property £	Equipment £	Motor vehicles £	Plant and machinery £	Total £
Cost					
At 1 April 2018	129,070	23,553	146,295	155,051	453,969
Additions	64,648	19,334	1,800	85,495	171,277
Disposals	-	-	(3,000)	-	(3,000)
At 31 March 2019	<u>193,718</u>	<u>42,887</u>	<u>145,095</u>	<u>240,546</u>	<u>622,246</u>
Depreciation					
At 1 April 2018	15,564	13,225	57,306	75,495	161,590
Charge for the period	13,021	3,871	22,249	19,969	59,110
Eliminated on disposal	-	-	(1,509)	-	(1,509)
At 31 March 2019	<u>28,585</u>	<u>17,096</u>	<u>78,046</u>	<u>95,464</u>	<u>219,191</u>
Net book value					
At 31 March 2019	<u><u>165,133</u></u>	<u><u>25,791</u></u>	<u><u>67,049</u></u>	<u><u>145,082</u></u>	<u><u>403,055</u></u>
At 31 March 2018	<u><u>113,506</u></u>	<u><u>10,328</u></u>	<u><u>88,990</u></u>	<u><u>79,554</u></u>	<u><u>292,378</u></u>

Assets held under hire purchase agreements

Included within the net book value of tangible fixed assets is £290,576 (2018 - £230,434) in respect of assets held under hire purchase agreements. Depreciation for the year on these assets was £46,661 (2018 - £63,616).

Equestrian Surfaces Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

5 Stocks

	2019 £	2018 £
Stocks	697,086	251,822
Applicable payments on account	(241,926)	(42,398)
	455,160	209,424

6 Debtors

	2019 £	2018 £
Trade debtors	823,529	474,855
Prepayments	84,620	147,182
Other debtors	37,400	17,341
	945,549	639,378

7 Creditors

	Note	2019 £	2018 £
Due within one year			
Loans and borrowings	9	105,766	62,146
Trade creditors		1,273,312	724,352
Taxation and social security		25,085	100,915
Other creditors		130,084	178,307
		1,534,247	1,065,720
Due after one year			
Loans and borrowings	9	177,266	151,496

Creditors include bank loans and overdrafts and net obligations under finance lease and hire purchase contracts which are secured of £98,832 (2018 - £49,653).

	Note	2019 £	2018 £
Due after one year			
Loans and borrowings	9	177,266	151,496

Creditors include bank loans and overdrafts and net obligations under finance lease and hire purchase contracts which are secured of £177,266 (2018 - £151,496).

Equestrian Surfaces Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

8 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary A shares of £1 each	114,500	114,500	114,500	114,500
Ordinary B shares of £1 each	1	1	1	1
Ordinary C shares of £1 each	1	1	1	1
Ordinary D shares of £1 each	1	1	1	1
	<u>114,503</u>	<u>114,503</u>	<u>114,503</u>	<u>114,503</u>

9 Loans and borrowings

	2019	2018
	£	£
Non-current loans and borrowings		
Hire purchase and finance lease liabilities	<u>177,266</u>	<u>151,496</u>

	2019	2018
	£	£
Current loans and borrowings		
Hire purchase and finance lease liabilities	95,832	49,756
Other borrowings	<u>9,934</u>	<u>12,390</u>
	<u>105,766</u>	<u>62,146</u>

10 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £266,975 (2018 - £108,883).

The total amount of guarantees not included in the balance sheet is £485,328 (2018 - £398,569). The company has given a cross guarantee for the bank loans of Ritojas Ltd, an entity controlled by Rita Harper.

Equestrian Surfaces Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

11 Related party transactions

Summary of transactions with entities with joint control or significant interest

Ritojas Ltd
 ES Holdings Ltd
 Equestrian Surfaces (Ireland) Ltd
 EC02 Enterprises Ltd
 Equestrian Surfaces Australia Pty Ltd

Summary of transactions with other related parties

HDE Management Ltd
 Efficient Eco Solutions Co Ltd

Income and receivables from related parties

		Entities with joint control or significant influence
		£
2019		
Sale of goods		508,069
Recharged expenditure		(10,874)
		497,195
Amounts receivable from related party		134,230

	Entities with joint control or significant influence	Other related parties
	£	£
2018		
Sale of goods	637,828	-
Recharged expenditure	86,199	3,640
Settlement of liabilities	374,592	-
	1,098,619	3,640
Amounts receivable from related party	194,149	-

Expenditure with and payables to related parties

		Entities with joint control or significant influence
		£
2019		
Management charges and commissions		87,480
Rental of property and equipment		307,151
		394,631
Amounts payable to related party		62,648

Equestrian Surfaces Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

	Entities with joint control or significant influence	Other related parties
	£	£
2018		
Management charges and commissions	47,264	131,088
Rental of property and equipment	578,918	-
	<u>626,182</u>	<u>131,088</u>
Amounts payable to related party	<u>33,450</u>	<u>-</u>