

**Renaissance Land Regeneration Limited**

**Directors' Report and Financial Statements**

Registered number 05019301

Year ended 31 May 2019

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## Directors' Report

The directors present their directors' report and the financial statements for the year ended 31 May 2019.

### Principal activities and business review

The principal activity of the company during the year was that of land management and development, and as the holding company of four subsidiary companies.

The results for the year are shown on page 6.

### Risks and uncertainties

The risks and uncertainties facing the company are inherently linked to those of the Hargreaves Services group. The principal risks and uncertainties of the group which includes those of this company are discussed in detail in the 'Statement of risks relating to the group's business' in the financial review in the group financial statements.

### Dividends

The directors do not recommend the payment of a dividend for the current year (2018: £nil).

### Directors

The directors who held office during the year and up to the date of this report were:

GW Pugh	(resigned 10 June 2019)
GM Liggins	
Hargreaves Corporate Director Limited	(appointed 23 November 2018)

### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Auditor

The Audit Committee of Hargreaves Services plc reviews and makes recommendations with regard to the appointment of the external auditors. In making this recommendation the Committee considers auditor effectiveness, independence and partner rotation.

Pusuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



**Hargreaves Corporate Director Limited**  
*Director*

West Terrace  
Esh Winning  
Co Durham  
DH7 9PT

30 August 2019

## **Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements**

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



KPMG LLP

Quayside House  
110 Quayside  
Newcastle upon Tyne  
NE1 3DX

## **Independent Auditor's Report to the Members of Renaissance Land Regeneration Limited**

### **Opinion**

We have audited the financial statements of Renaissance Land Regeneration Limited ("the company") for the year ended 31 May 2019 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **The impact of uncertainties due to the UK exiting the European Union on our audit**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as the valuation of stock, related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

## **Independent Auditor's Report to the Members of Renaissance Land Regeneration Limited (Continued)**

### **Going concern (continued)**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

### **Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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 directors' 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **Independent Auditor's Report to the Members of Renaissance Land Regeneration Limited (Continued)**

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Johnathan Pass (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*  
Quayside House  
110 Quayside  
Newcastle upon Tyne  
NE1 3DX

6 September 2019

**Profit and Loss Account and Other Comprehensive Income**  
*for the year ended 31 May 2019*

	<i>Note</i>	<b>2019 £000</b>	2018 £000
Cost of sales		-	(3)
<b>Gross result/(loss)</b>		-	(3)
Administrative expenses		(1)	(10)
Other operating income/(expense)	4	9	(25)
<b>Profit/(loss) before tax</b>		8	(38)
Tax on profit/(loss)	5	(14)	-
<b>Loss for the financial year</b>		(6)	(38)

All results are derived from continuing operations.

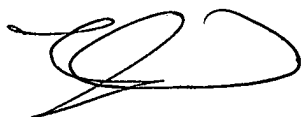
There was no other comprehensive income in addition to the result for the year shown above.



**Balance Sheet**  
*at 31 May 2019*

	<i>Note</i>	<b>2019</b> <b>£000</b>	<b>£000</b>	<b>2018</b> <b>£000</b>	<b>£000</b>
<b>Fixed assets</b>					
Investment properties	6		42		78
Investments	7		1		1
			<hr/>		<hr/>
			43		79
<b>Current assets</b>					
Stocks	8	367		250	
Debtors	9	2		1,637	
Cash at bank and in hand		1		9	
		<hr/>		<hr/>	
		370		1,896	
<b>Creditors: amounts falling due within one year</b>	11	<b>(8,095)</b>		<b>(9,664)</b>	
		<hr/>		<hr/>	
<b>Net current liabilities</b>			<b>(7,725)</b>		<b>(7,768)</b>
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			<b>(7,682)</b>		<b>(7,689)</b>
			<hr/>		<hr/>
<b>Provisions</b>					
Deferred taxation	10		(13)		-
			<hr/>		<hr/>
<b>Net liabilities</b>			<b>(7,695)</b>		<b>(7,689)</b>
			<hr/>		<hr/>
<b>Capital and reserves</b>					
Called up share capital	13		150		150
Profit and loss account			(7,845)		(7,839)
			<hr/>		<hr/>
<b>Shareholders' deficit</b>			<b>(7,695)</b>		<b>(7,689)</b>
			<hr/>		<hr/>

These financial statements were approved by the board of directors on 30 August 2019 and were signed on its behalf by:



**Hargreaves Corporate Director Limited**  
*Director*

Registered number: 05019301

## Statement of Changes in Equity

	<b>Called up share capital £000</b>	<b>Profit and loss account £000</b>	<b>Total equity £000</b>
Balance at 1 June 2017	150	(7,801)	(7,651)
<b>Total comprehensive expense for the year</b>			
Loss	-	(38)	(38)
	<hr/>	<hr/>	<hr/>
Total comprehensive expense for the year	-	(38)	(38)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 May 2018</b>	<b>150</b>	<b>(7,839)</b>	<b>(7,689)</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Balance at 1 June 2018	150	(7,839)	(7,689)
<b>Total comprehensive expense for the year</b>			
Loss	-	(6)	(6)
	<hr/>	<hr/>	<hr/>
Total comprehensive expense for the year	-	(6)	(6)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 May 2019</b>	<b>150</b>	<b>(7,845)</b>	<b>(7,695)</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

Renaissance Land Regeneration Limited (the "Company") is incorporated, domiciled and registered in the UK.

#### ***Basis of preparation***

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Hargreaves Services plc includes the Company in its consolidated financial statements. The consolidated financial statements of Hargreaves Services plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Companies House.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital and tangible fixed assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Hargreaves Services plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

In these financial statements various IFRSs which are effective for the first time have been adopted, including the following standards, amendments and interpretations:

- IFRS 9, Financial Instruments

The new accounting standard IFRS 9 Financial Instruments addresses the classification and measurement of financial assets and liabilities and replaces IAS 39. Among other things, the standard introduces a forward looking credit loss impairment model whereby entities need to consider and recognise impairment triggers that might occur in the future (an 'expected loss' model). The Company has adopted IFRS 9 and has chosen to apply the retrospective approach.

The adoption of the new standard above has had no material impact on the accounts.

Judgements made by the directors, in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed within this note.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

#### ***Measurement convention***

The financial statements are prepared on the historical cost basis.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Going concern*

Notwithstanding net current liabilities of £7,725,000 as at 31 May 2019 and a loss for the year then ended of £6,000, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the company's ultimate parent company, Hargreaves Services plc not seeking repayment of the amounts currently due to the group, which at 31 May 2019 amounted to £8,095,000. Hargreaves Services plc has indicated that it does not intend to seek repayment of these amounts for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### *Tangible fixed assets and depreciation*

Tangible fixed assets are stated at cost less accumulated depreciation.

Leases in which the company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of a finance lease are stated at an amount equal to the lower of their fair value and the present value of minimum lease payments at the inception of the lease, less accumulated depreciation. Lease payments are accounted for as described below.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful economic lives as follows of each part of tangible fixed assets. Land and investment properties are not depreciated. The estimated useful lives are as follows:

Furniture and equipment	- 33% per annum
Motor vehicles and plant	- 20% per annum
Fixtures and fittings	- 33% per annum

#### *Investment properties and depreciation*

Investment properties are properties which are held either to earn rental income, or for capital appreciation, or both. Investment properties are stated at cost less accumulated depreciation.

#### *Investments*

Investments in are stated at cost less any provision for impairment.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Classification of financial instruments issued by the Company*

Financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy. The finance cost on the financial liability component is correspondingly higher over the life of the instrument.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

#### *Financial Instruments*

##### *Financial Assets*

Financial assets classified as "loans and receivables" under IAS 39 (being trade and other receivables) continue to be classified within the "amortised cost" category according to IFRS 9.

The Company classifies financial assets under the following measurement categories:

- Measured at amortised cost (non-derivative financial assets);
- Measured subsequently at fair value through either profit or loss or comprehensive income.

##### *Non-derivative financial assets*

Non-derivative financial assets include trade and other receivables and contract assets, as defined by IFRS 15. Neither of these two categories contain a significant financing element and, as such, expected credit losses are measured under IFRS 9 using the simplified impairment approach. This approach requires expected lifetime losses to be recognised upon the initial recognition of the asset.

At initial recognition, the Company measures a non-derivative financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. The Company subsequently measures trade and other receivables and contract receivables at amortised cost.

##### *Derivative Financial Instruments*

The Company uses forward foreign currency contracts to manage its exchange rate risk. The Company also uses derivative sale and purchase contracts to mitigate the risk of fluctuating coal and fuel prices and exchange rate risk.

Derivative financial instruments are recognised initially at fair value and are subsequently remeasured to fair value at each reporting date and changes therein are accounted for as described as follows.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Cash Flow Hedges*

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a highly probable forecast transaction (for example, interest payments, sales and purchases denominated in foreign currency, sale and purchase of commodities), changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in the hedging reserve to the extent that the hedge is effective. Amounts deferred in equity are recognised in the Income Statement when the hedged item affects profit or loss. To the extent that the hedge is ineffective, changes in fair value are recognised immediately in profit or loss.

Derivatives designated as hedging instruments are accounted for in line with the nature of the hedging arrangement. Derivatives are intended to be highly effective in mitigating the above risks, and hedge accounting is adopted where the required hedge documentation is in place and the relevant test criteria are met. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the Income Statement as part of financing costs. The Company continues to apply IAS 39 for the purposes of hedge accounting as permitted under IFRS 9.

#### *Non-Financial assets*

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Income Statement. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

#### *Non-derivative financial instruments*

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors. These are initially recognised at fair value and subsequently measured at amortised cost.

#### *Intra-Group Financial Instruments*

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Dividends on shares presented within shareholders' funds*

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

#### *Taxation*

Tax on the profit or loss for the year comprises both current deferred tax. Tax is recognised in the profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

#### *Accounting estimates and judgements*

##### *Valuation of stock*

An assessment as to the ability of the company to recover the value of all stock for above its original cost is made at each financial period end. A provision is made for any amounts that are not considered to be recoverable either due to the net realisable value being less than cost for that stock or due to the level of stock resulting in a risk of stock obsolescence. Due to the nature of this provision an estimate is made as to the amounts that will be recoverable which involves judgement based on knowledge of the stock held and the market. The carrying value of stocks as at 31 May 2019 is £367,000 (2018: £250,000).

##### *Valuation of investment property (prior year only)*

Investment property is held at cost less accumulated depreciation. An annual review will be performed by the directors to assess whether there have been any changes in management's plans for these properties and whether the depreciation policy is still appropriate and unimpaired. The carrying value of investment properties as at 31 May 2019 is £42,000 (2018: £78,000).

## Notes (continued)

### 2 Expenses and auditor's remuneration

No auditor's remuneration has been charged to the profit and loss account as this is borne by the Company's parent undertaking.

Amounts receivable by the Company's auditor in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Hargreaves Services plc.

Other operating income/(expense) includes a profit on disposal of investment property of £9,000 (2018: loss £25,000).

### 3 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2019	2018
Directors	2	3

All Directors in the current year are employed by fellow group companies and it is not practicable to determine the the proportion of these emoluments which are attributable to the services of the Company.

### 4 Other operating income/(expense)

	2019 £000	2018 £000
Profit/(loss) on disposal of investment property	9	(25)



## Notes (continued)

### 5 Taxation

#### Recognised in the profit and loss account

	2019 £000	£000	2018 £000	£000
<i>Deferred tax</i>				
Adjustment in respect of prior years	14		-	
		14		-
<b>Total tax charge</b>		<b>14</b>		<b>-</b>

#### Reconciliation of effective tax rate

	2019 £000	2018 £000
Loss for the year	(6)	(38)
Total tax charge	14	-
Profit/(loss) excluding taxation	8	(38)
Tax using the UK corporation tax rate of 19% (2018: 19%)	2	(7)
Unrecognised tax losses	(2)	7
Under provided in prior years	14	-
<b>Total tax charge</b>	<b>14</b>	<b>-</b>

#### Factors that may affect future tax expenses

The UK corporation tax rate reduced from 20% to 19% (effective from 1 April 2017) and remained at 19% for the tax year beginning 1 April 2019. On 16 March 2016 it was announced that the main rate of UK Corporation Tax would reduce further to 17% on 1 April 2020. This change was substantively enacted on 6 September 2016. This will reduce the company's current tax charge accordingly. The deferred tax balances at 31 May 2019 and 31 May 2018 have been calculated based on the rate of 17% substantively enacted at the Balance Sheet date.

## Notes (continued)

### 6 Investment properties

	Shared equity properties £000	Total £000
<i>Cost and net book value</i>		
At 31 May 2018	78	78
Disposals	(36)	(36)
	<hr/>	<hr/>
<i>Cost and net book value</i>		
At 31 May 2019	42	42
	<hr/>	<hr/>

The company owns nil (2018: nil) investment properties.

The company holds interests in a further 2 (2018: 3) investment properties that were purchased as part of shared equity agreements. A 25% stake was purchased in each property. The equity stake will be recovered on the earlier of a sale of the property, expiry of a 10 year period starting from 2009 or by redemption, either in full or in part, by the homeowner.

### 7 Investments

	Shares in group undertakings £000
<i>Cost</i>	
At beginning and end of year	251
	<hr/>
<i>Impairment</i>	
At beginning and end of year	250
	<hr/>
<i>Net book value</i>	
At beginning and end of year	1
	<hr/>

The investments of the company relate to the following:

Company name	Principal activity	Address of Registered Office	Class of shares held	Ownership	
				31 May 2019	31 May 2018
<i>Subsidiary undertakings</i>					
Hargreaves Land (North) Limited (formerly Renaissance Land (D20) Limited)	Property holding	Esh Winning*	Ordinary	100%	100%
Renaissance Land Management Limited	Property holding	Esh Winning*	Ordinary	100%	100%
Hargreaves Land (South) Limited (formerly Renaissance Land (Padiham) Limited)	Property holding	Esh Winning*	Ordinary	100%	100%
Norton Wind Energy Limited	Dormant	Esh Winning*	Ordinary	51%	51%

\*The above companies have Registered offices at West Terrace, Esh Winning, Durham, DH7 9PT.

In the opinion of the directors the investments in subsidiary undertakings are worth at least the amounts stated in the balance sheet.

## Notes (continued)

### 8 Stocks

	2019 £000	2018 £000
Work in progress	367	250

There were no write downs or reversal of write downs of stock in either the current or prior year.

### 9 Debtors

	2019 £000	2018 £000
Trade debtors	1	2
Amounts owed by group undertakings	-	1,634
Deferred tax asset (note 10)	-	1
Other tax and social security	1	-
	<u>2</u>	<u>1,637</u>

### 10 Deferred taxation

Recognised deferred tax assets and (liabilities) are attributable to the following:

	Assets		Liabilities	
	2019 £000	2018 £000	2019 £000	2018 £000
Tangible fixed assets	-	1	(13)	-

Movement in deferred tax during the year:

	31 May 2018 £000	Recognised in income £000	Recognised in equity £000	31 May 2019 £000
Tangible fixed assets	1	(14)	-	(13)

Movement in deferred tax during the prior year:

	31 May 2017 £000	Recognised in income £000	Recognised in equity £000	31 May 2018 £000
Tangible fixed assets	1	-	-	1

## Notes (continued)

### 11 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Amounts owed by group undertakings	8,095	9,664

### 12 Related party transactions

In these financial statements, the company has applied the exemption available under FRS 101 regarding disclosures in respect of transactions with wholly owned subsidiaries within the group. At the current and previous year end, the company had no balances outstanding with, or sales to/purchases from any other related parties.

### 13 Capital and reserves

	2019 £000	2018 £000
<i>Allotted, called up and fully paid</i> 150,000 ordinary shares of £1 each	150	150

### 14 Ultimate parent company and parent undertaking of larger group of which the company is a member

The Company is a subsidiary undertaking of Hargreaves Services plc. Hargreaves Services plc is the Company's ultimate controlling party.

The Company's immediate controlling party is Hargreaves Land Holdings Limited which has a registered address at West Terrace, Esh Winning, Durham, DH7 9PT.

The only group in which the results of the Company are consolidated is that headed by Hargreaves Services plc. The consolidated financial statements of this company are available to the public and may be obtained from their registered address West Terrace, Esh Winning, Durham, DH7 9PT.