

**517EPA Limited**

**Director's Report and Financial Statements**

Registered number 08898352

15 month period to 31 May 2016



## Contents

Director's Report	1
Statement of Director's Responsibilities in Respect of the Director's Report and the Financial Statements	2
Profit and Loss Account and Other Comprehensive Income	3
Balance Sheet	4
Statement of Changes in Equity	5
Notes	6

## Director's Report

The director presents his Director's Report and the financial statements for the 15 month period ended 31 May 2016.

### Principal activities

The Company was incorporated on 17 February 2014.

The Company's principal activity was as an investment company. The company is no longer trading and has been dormant throughout the current financial period.

### Proposed dividend

The directors do not recommend the payment of a dividend (2015: £nil).

### Directors

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

KJS Dougan

By order of the board

  
KJS Dougan  
Director

West Terrace  
Esh Winning  
Co Durham  
DH7 9PT

27 February 2017

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

The director is responsible for preparing the Director's 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 director 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 year.

In preparing these financial statements, the director is 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 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.

**Profit and Loss Account and Other Comprehensive Income**  
*for the 15 month period ended 31 May 2016*

		15 month period ended 31 May 2016 £000	Year ended 28 February 2015 £000
Administrative expenses		-	(250)
<b>Loss on ordinary activities before taxation</b>		-	(250)
Tax on loss on ordinary activities	3	-	-
<b>Loss for the financial period</b>		-	(250)

During the current financial period, the company did not trade and received no income and incurred no expenditure. Consequently, during this period the company made neither a profit nor a loss. The company had no other comprehensive income in either the current period or the previous year.

**Balance Sheet**  
*at 31 May 2016*

	<i>Note</i>	<b>31 May 2016 £000</b>	<b>28 February 2015 £000</b>	<b>£000</b>
<b>Creditors: amounts falling due within one year</b>	<b>4</b>	<b>(250)</b>	<b>(250)</b>	
<b>Net current liabilities</b>		<b>(250)</b>	<b>(250)</b>	
<b>Net liabilities</b>		<b>(250)</b>	<b>(250)</b>	
<b>Capital and reserves</b>				
Called up share capital	5	-	-	
Profit and loss account		(250)	(250)	
<b>Shareholders' deficit</b>		<b>(250)</b>	<b>(250)</b>	

**Statement by the Director under Section 480 of the Companies Act 2006**

The director:

- (a) confirms that the company was entitled to exemption under subsection (1) and (2) of section 480 of the Companies Act 2006, relating to dormant companies, from the requirement to have its financial statements for the financial period ended 31 May 2016 audited;
- (b) confirms that members have not required the company to obtain an audit of its financial statements for that financial period in accordance with section 476 of the Companies Act 2006;
- (c) acknowledges his responsibilities for:
  - (i) ensuring that the company keeps accounting records which comply with section 386 of the Companies Act 2006, and
  - (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of sections 393 and 394 of the Companies Act 2006, and which otherwise comply with the requirements of that Act relating to financial statements, so far as applicable to the company.

These financial statements were approved by the director on 27 February 2017:

  
**KJS Dougan**  
Director

Registered number: 08898352

**Statement of Changes in Equity**  
*for the 15 month period ended 31 May 2016*

	<b>Called up share capital £000</b>	<b>Profit and loss account £000</b>	<b>Total equity £000</b>
Balance at 17 February 2014	-	-	-
<b>Total comprehensive income for the year</b>			
Profit or loss	-	(250)	(250)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	(250)	(250)
	<hr/>	<hr/>	<hr/>
<b>Transactions with owners, recorded directly in equity</b>			
Issue of share capital	-	-	-
	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Balance at 28 February 2015, 1 March 2015 and 31 May 2016</b>	-	(250)	(250)
	<hr/>	<hr/>	<hr/>

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

517EPA Limited (the "Company") is incorporated and domiciled in the UK.

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

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

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.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. The transition to FRS 101 has had no impact on the reported financial position and financial performance of the Company.

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;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- An additional balance sheet for the beginning of the earliest comparative period following the transition to FRS101;
- 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 Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

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

There are no material judgements made by the directors, in the application of these accounting policies that are expected to have a significant effect on the financial statements or any estimates with a significant risk of material adjustment in the next year.

#### ***Going concern***

The company has net current liabilities of £250,000 at 31 May 2016 which includes £125,000 due to group undertakings. The company meets its day to day working capital requirements through support from related companies and the company's parent undertaking, Hargreaves Services plc, has indicated that it will continue to provide support to enable the company to trade for at least 12 months from the date of approval of these accounts. The directors therefore believe that the company is well placed to manage its business risks successfully. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to prepare the financial statements on a going concern basis.

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

The financial statements are prepared on the historical cost basis.



## Notes (continued)

### 1 Accounting policies (continued)

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

Following the adoption of IAS32, 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.

#### *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.

#### *Taxation*

Tax on the profit or loss for the period comprises both current and 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.

## Notes (continued)

### 2 Remuneration of directors

The director did not receive any remuneration for his services to the company (2015: nil).

### 3 Taxation

#### Reconciliation of effective tax rate

	2016 £000	2015 £000
Loss for the year	-	(250)
Total tax expense	-	-
Loss excluding taxation	-	(250)
Tax using the UK corporation tax rate of 20% (2015: 20.83%)	-	(52)
Non-deductible expenses	-	52
<b>Total tax expense</b>	<b>-</b>	<b>-</b>

#### Factors that may affect future tax expenses

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective on 1 April 2020) has been announced and was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax balances at 31 May 2016 have been calculated based on the rate substantively enacted at the balance sheet date of 18% (2015: 20%).

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

	31 May 2016 £000	28 February 2015 £000
Amounts owed to group undertakings	125	-
Other creditors	125	-
Amounts owed to related parties	-	250
	<b>250</b>	<b>250</b>

## Notes (continued)

### 5 Share capital

	31 May 2016 £	28 February 2015 £
<i>Allotted, called up and fully paid</i>		
200 Ordinary share of £1 each	200	200

### 6 Related party disclosures

In the prior year the Company was a joint venture owned 50% by Hargreaves Surface Mining Limited and 50% by Harworth Estates Limited.

On 26 March 2015 Hargreaves Surface Mining Limited acquired the remaining 50% share capital from Harworth Estates Limited and the Company is now a wholly owned subsidiary undertaking of the Hargreaves Services plc group.

The Hargreaves Services plc group has three joint venture undertakings; Tower Regeneration Limited, Tower Regeneration Leasing Limited, and MIR Trade Services Limited. This group also has interests in the following associates; Hargreaves Services Europe Limited, Hargreaves Raw Material Services GmbH and Hargreaves Carbon Products Polska Sp Z.o.o. In 2015 and 2016 the group had three subsidiaries not wholly owned; Rocfuel Limited, Rocpower Limited and Maxibrite Limited. In addition on 11 January 2016 the group acquired an interest in the following subsidiaries which are not wholly owned; Renaissance Land Regeneration Limited, Renaissance Land (D20) Limited, Renaissance Land Management Limited, Renaissance (Padiham) Limited and Norton Wind Energy Limited.

The company had no trading with related parties, however, it had the following outstanding balances at both 31 May 2016 and 28 February 2015:

	Purchases from £000	Sales to £000	Balance outstanding debtor/ (creditor) £000
Hargreaves Surface Mining Limited	-	-	(125)
Harworth Estates Limited	-	-	(125)

### 7 Ultimate parent company and parent undertaking of larger group

As at 31 May 2016 the Company is a subsidiary undertaking of Hargreaves Services plc. Hargreaves Services plc is the Company's ultimate controlling party. In the prior year the Company was a joint venture owned 50% by Hargreaves Surface Mining Limited and 50% by Harworth Estates Limited and therefore there was no individual ultimate parent company.

The Company's immediate controlling party is Hargreaves Surface Mining Limited.

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 Companies House.