

**Hargreaves Services (Muir Dean) Limited**

**Directors' Report and Financial Statements**

Registered number 10001292

31 May 2020



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## Directors' Report

The directors present their Directors' Report and the financial statements for the year ended 31 May 2020.

### Principal activities and business review

The company's principal activity is that of a property holding company.

The results for the year ended 31 May 2020 show a turnover of £nil (2019: £87,000) and a profit before tax of £nil (2019: £74,000).

### Risks and uncertainties

The Company is part of a group that delivers key projects and services in the infrastructure, energy and property sectors throughout the UK and overseas. The risks and uncertainties facing the company are inherently linked to those of the 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 Hargreaves Services plc Group financial statements.

The Company has not seen a significant impact on its trading and results for the year ended 31 May 2020 as a result of Covid-19 however the Directors continue to monitor the situation closely. Our focus has been to safeguard the health and wellbeing of our employees, support our communities and continue to provide a reliable service to customers and suppliers, including many operating in critical industries.

### Proposed dividend

The directors do not recommend the payment of a dividend (2019: £nil).

### Directors

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

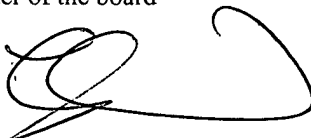
GM Liggins  
Hargreaves Corporate Director Limited  
DR Anderson (appointed 6 September 2019)

All of the Directors benefited from the Group's qualifying third-party indemnity provisions.

### Small company exemption

In preparing this report, the directors have taken advantage of the small company exemptions provided by section 414B of the Companies Act 2006 and have not prepared a strategic report.

By order of the board



**Hargreaves Corporate Director Limited**  
Director

West Terrace  
Esh Winning  
Co Durham  
DH7 9PT

28 August 2020

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

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

**Profit and Loss Account and Other Comprehensive Income**  
*for the year ended 31 May 2020*

	<i>Note</i>	<b>2020 £000</b>	2019 £000
<b>Turnover</b>	2	-	87
Cost of sales		-	(13)
		<hr/>	<hr/>
<b>Gross profit</b>		-	74
Administrative expenses	3	-	-
		<hr/>	<hr/>
<b>Profit before taxation</b>		-	74
Tax on profit	4	-	(14)
		<hr/>	<hr/>
<b>Profit for the year</b>		-	60
		<hr/>	<hr/>

All results are derived from continuing operations.

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

## Balance Sheet

at 31 May 2020

	Note	2020 £000	2019 £000
<b>Current assets</b>			
Debtors	5	394	394
		<hr/>	<hr/>
		394	394
<b>Creditors:</b> amounts falling due within one year	6	(14)	(14)
		<hr/>	<hr/>
<b>Net assets</b>		380	380
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	7	-	-
Profit and loss account		380	380
		<hr/>	<hr/>
<b>Shareholders' funds</b>		380	380
		<hr/>	<hr/>

## Statement by the Directors Under Section 480 of the Companies Act 2006

The directors:

- (a) confirm 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 year ended 31 May 2020 audited;
- (b) confirm that members have not required the company to obtain an audit of its financial statements for that financial year in accordance with section 476 of the Companies Act 2006;
- (c) acknowledge their 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 year and of its profit or loss for the financial year 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 on pages 3 to 11 were approved by the board of directors on 28 August 2020 and were signed on its behalf by:



Hargreaves Corporate Director Limited  
 Director

Registered number: 10001292

## 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 2018	-	320	320
<b>Total comprehensive income for the year</b>			
Profit	-	60	60
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	60	60
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 May 2019</b>	-	380	380
	<hr/>	<hr/>	<hr/>
Balance at 1 June 2019	-	380	380
<b>Total comprehensive income for the year</b>			
Result	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 May 2020</b>	-	380	380
	<hr/>	<hr/>	<hr/>

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

Hargreaves Services (Muir Dean) Limited (the "Company") is a private company limited by shares and is incorporated, domiciled and registered in England, within the UK. The registered address is West Terrace, Esh Winning, Durham, DH7 9PT.

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

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

These financial statements were prepared in accordance with the Companies Act 2006 as applicable to companies using 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, tangible fixed assets and intangible assets;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel;
- Disclosures in respect of transactions with wholly owned subsidiaries; 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*.

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.

#### **New standards, interpretations and amendments effective**

The following have been applied for the first time from 1 June 2019.

#### ***IFRS 16, Leases***

None of the standards, interpretations and amendments effective for the first time from 1 June 2019 have had a material effect on the financial statements. IFRS 16, has had no impact on the company which does not have any leases.

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

The financial statements are prepared on the historical cost basis.



## Notes (continued)

### 1 Accounting policies (continued)

#### *Going concern*

The current economic and market conditions continue to create an element of uncertainty over demand for the company's products but the company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company is expected to have a sufficient level of financial resources available through its existing cash reserves and operating cashflows. As a result, the directors believe that the company is well placed to manage its business risks successfully despite the economic uncertainty. 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.

#### *Trade debtors*

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as fixed assets.

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 debtors.

#### *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 payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, 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.

#### *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.

#### *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.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Financial Instruments*

##### *Financial Assets*

Financial assets classified as "loans and receivables" under IAS 39 (being trade and other receivables) are now 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.

#### *Turnover*

Turnover is recognised when control over a product or service is transferred to the Company's customer. The value attributed to turnover is measured based on the consideration specified in the contract and excludes any amounts collected on behalf of third parties. In circumstances where consideration is not clearly defined in the contract, the turnover is subject to variability. When turnover is variable, the Company estimates the amount of consideration to be recovered. Turnover is only recognised to the extent that it is highly probable that a significant reversal in a future period will not occur. When an amendment to an existing contract arises, the Company reviews the nature of the modification and whether or not it reflects a separate or new performance obligation to be satisfied, or whether it is an amendment to an existing performance obligation.

Turnover is measured excluding value added tax, for goods and services supplied to external customers in line with the fulfilment of contractual performance obligations. All directly attributable expenses in respect of goods supplied and services provided are recognised in the Income Statement in the period to which they relate. The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust its transaction price for the time value of money.

Depending on the nature of the product or service delivered and the timing of when control is passed onto the customer, the Company will account for turnover both over time and at a point in time. Where turnover is measured over time, the Company uses the input method to measure progress of delivery.

#### *Taxation*

Tax on the profit or loss for the period 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.

## Notes (continued)

### 2 Turnover

All turnover arises at a point in time in the United Kingdom from the company's principal activities. Details of turnover by type are set out below:

	2020 £000	2019 £000
Sale of land	-	87
	<u>          </u>	<u>          </u>

### 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	
	2020	2019
Directors	2	1
	<u>          </u>	<u>          </u>

The directors received no remuneration in respect of their services to the company during the current or prior year.

The remuneration of certain directors in the year was borne by a fellow subsidiary undertaking of the ultimate holding company, Hargreaves Services plc.

### 4 Taxation

#### Recognised in the profit and loss account

	2020 £000	£000	2019 £000	£000
<i>UK corporation tax</i>				
Charge on income for the year	-		14	
	<u>          </u>		<u>          </u>	
Total current tax		-		14
		<u>          </u>		<u>          </u>
Tax on profit		-		14
		<u>          </u>		<u>          </u>

## Notes (continued)

### 4 Taxation (continued)

#### Reconciliation of effective tax rate:

	2020 £000	2019 £000
Profit for the year	-	60
Total tax charge	-	14
	<hr/>	<hr/>
Profit excluding taxation	-	74
Tax using the UK corporation tax rate of 19% (2019: 19%)	-	14
	<hr/>	<hr/>
<b>Total tax charge</b>	<b>-</b>	<b>14</b>
	<hr/>	<hr/>

#### Factors that may affect future tax expenses

The rate of tax for the current and prior year was 19%. On 16 March 2016 it was announced that the main rate of UK Corporation Tax would reduce to 17% on 1 April 2020. This change was substantively enacted on 6 September 2016. Following the March 2020 budget, the corporate tax rate will now remain at 19% and will not reduce to 17% in April 2020 as previously announced. The deferred tax balances at 31 May 2020 and 31 May 2019 have been calculated based on the rate substantively enacted at the balance sheet date of 19% (2019: 17%).

### 5 Debtors

	2020 £000	2019 £000
Amounts owed by group undertakings	394	395
	<hr/>	<hr/>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

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

	2020 £000	2019 £000
Corporation tax payable	14	75
	<hr/>	<hr/>

## Notes (continued)

### 7 Capital and reserves

	2020	2019
	£	£
<i>Allotted, called up and fully paid</i>		
1 (2019: 1) Ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>

### 8 Related party disclosures

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.

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

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

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.