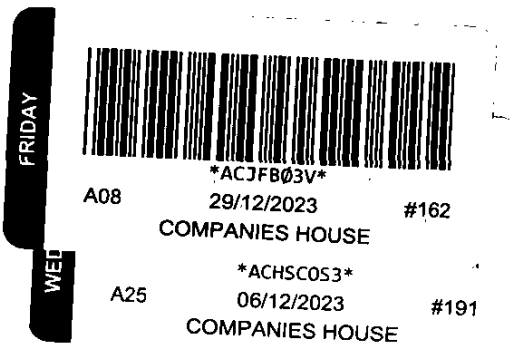


Registration number: 03253067

Geofirma Soils Engineering Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 May 2023



Geofirma Soils Engineering Limited

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Geofirma Soils Engineering Limited

Company Information

Directors	G Banham Hargreaves Corporate Director Limited
Registered office	West Terrace Esh Winning County Durham DH17 9PT

Geofirma Soils Engineering Limited

Directors' Report for the Year Ended 31 May 2023

The directors present their report and the unaudited financial statements for the year ended 31 May 2023.

Principal activities

The Company ceased trading in 2020. All activity in the year relates to the realisation of amounts due to the Company and the provisioning of liabilities. Prior to the cessation of trade the company used to provide soil stabilisation services.

The results for the company show turnover of £nil (2022: £nil) and a loss before tax of £100,000 (2022: £nil).

Dividends

No dividend has been paid in the year (2022: £1,825,000).

Directors of the company

The directors of the company, who were in office during the year and up to the date of signing the financial statements, were as follows:

G Banham

Hargreaves Corporate Director Limited

Directors' liabilities

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

Going concern

The Company relies on the Group for support. Hargreaves Services plc has provided a letter of support covering 12 months from the date the accounts were approved by the directors.

Hargreaves Services plc has indicated it will continue to make available such funds as are needed by the company, and that it will not seek repayment of the amounts due at the balance sheet date.

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, through funding from its ultimate parent company, Hargreaves Services plc, to meet its liabilities as they fall due for that period.

The Group's financing is not dependent on bank borrowings, there is no debenture nor any financial covenants to comply with. Notwithstanding that, a rigorous review of cash flow forecasts including testing for a range of severe but plausible downside scenarios has been undertaken. The Group's £12m invoice discounting facility is committed for a period of 15 months from July 2023 and expires 31 October 2024, which has recently been extended to this date. The facility is secured against certain Group debtors and there is no debenture nor any covenants associated with this facility. Mitigating strategies to these sensitivities considered by the Board exclude any remedies which are not entirely within the Group's control.

As a result, and after making appropriate enquiries including reviewing budgets and strategic plans, the Directors have a reasonable expectation that both the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Board continues to adopt the going concern basis in preparing the Annual Report and Accounts of Hargreaves Services plc.

Geofirma Soils Engineering Limited

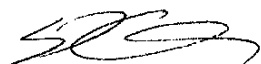
Directors' Report for the Year Ended 31 May 2023 (continued)

Small companies provision statement

In preparing this report, the directors have taken advantage of the small company exemptions provided by section 415A of the Companies Act 2006.

The directors have also taken advantage of small company exemptions provided by section 414B of the Companies Act 2006 and have not prepared a Strategic Report.

Approved by the Board on 10 November 2023 and signed on its behalf by:



Stephen Craigen for and on behalf of
Hargreaves Corporate Director Limited
Director

Geofirma Soils Engineering Limited

Profit and Loss Account for the Year Ended 31 May 2023

	Note	2023 £ 000	2022 £ 000
Administrative expenses		<u>(100)</u>	<u>-</u>
Operating loss		<u>(100)</u>	<u>-</u>
Loss before tax		(100)	-
Tax on loss	6	<u>20</u>	<u>(16)</u>
Loss for the financial year		<u><u>(80)</u></u>	<u><u>(16)</u></u>

The above results were derived from continuing operations.

There was no other comprehensive income in addition to the result for the year shown above. (2022: £nil).

The notes on pages 7 to 13 form an integral part of these financial statements.

Geofirma Soils Engineering Limited

(Registration number: 03253067)

Balance Sheet as at 31 May 2023

	Note	31 May 2023 £ 000	31 May 2022 £ 000
Current assets			
Debtors	7	20	7
Cash at bank and in hand		<u>4</u>	<u>-</u>
		24	7
Creditors: Amounts falling due within one year	8	<u>-</u>	<u>(3)</u>
Total assets less current liabilities		24	4
Provisions for liabilities	9, 6	<u>(100)</u>	<u>-</u>
Net (liabilities)/assets		<u>(76)</u>	<u>4</u>
Capital and reserves			
Called up share capital	10	19	19
Profit and loss account		<u>(95)</u>	<u>(15)</u>
Total shareholders' (deficit)/funds		<u>(76)</u>	<u>4</u>

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

Directors' responsibilities:

- The members have not required the company to obtain an audit of its 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 on pages 4 to 13 were approved by the Board of directors on 10 November 2023 and signed on its behalf by:



.....
Stephen Craigen for and on behalf of
Hargreaves Corporate Director Limited
Director

The notes on pages 7 to 13 form an integral part of these financial statements.

Geofirma Soils Engineering Limited

Statement of Changes in Equity for the Year Ended 31 May 2023

At 1 June 2021	Called up share capital £ 000	Accumulated losses £ 000	Total £ 000
Loss for the year	19	1,826	1,845
	-	(16)	(16)
Total comprehensive expense	-	(16)	(16)
Dividends	-	(1,825)	(1,825)
At 31 May 2022	19	(15)	4
	Called up share capital £ 000	Accumulated losses £ 000	Total £ 000
At 1 June 2022	19	(15)	4
Loss for the year	-	(80)	(80)
Total comprehensive expense	-	(80)	(80)
At 31 May 2023	19	(95)	(76)

Geofirma Soils Engineering Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 May 2023

1 General information

The company is a private company limited by share capital, incorporated and domiciled in England within the UK.

The address of its registered office is.

West Terrace
Esh Winning
County Durham
DH7 9PT

These financial statements were authorised for issue by the Board on 10 November 2023.

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.

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") and are prepared under the historic cost modified by revaluation of financial assets and financial liabilities held at fair value through profit and loss.

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.

Geofirma Soils Engineering Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 May 2023 (continued)

2 Accounting policies (continued)

Going concern

Following the decision to cease trading, the Directors are focussed on recovering amounts due to the Company and settling liabilities. The Directors have considered whether the carrying value of the Company's assets is still appropriate and whether any additional adjustments are required in respect of liabilities but have concluded that no such adjustments are necessary.

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 through, funding from its ultimate parent company, Hargreaves Services plc, to meet its liabilities as they fall due for that period.

The Group's financing is not dependent on bank borrowings, there is no debenture nor any financial covenants to comply with. Notwithstanding that, a rigorous review of cash flow forecasts including testing for a range of severe but plausible downside scenarios has been undertaken. The Group's £12m invoice discounting facility is committed for a period of 15 months from July 2022 and expires 31 October 2023, which has recently been extended to this date. The facility is secured against certain Group debtors and there is no debenture nor any covenants associated with this facility. Mitigating strategies to these sensitivities considered by the Board exclude any remedies which are not entirely within the Group's control.

As a result, and after making appropriate enquiries including reviewing budgets and strategic plans, the Directors have a reasonable expectation that both the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Board continues to adopt the going concern basis in preparing the Annual Report and Accounts of Hargreaves Services plc.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 June 2022 have had a material effect on the financial statements.

Tax

The tax expense for the period comprises current and 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.

The current income 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 income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Geofirma Soils Engineering Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 May 2023 (continued)

2 Accounting policies (continued)

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 changes in value.

Trade debtors

Trade debtors are amounts due from customers for goods 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 non-current 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 debtor 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. Trade creditors 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.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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.

Dividends

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.

Geofirma Soils Engineering Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 May 2023 (continued)

2 Accounting policies (continued)

Financial instruments

Initial recognition

Financial assets and financial liabilities comprise all assets and liabilities reflected in the statement of financial position, although excluding property, plant and equipment, investment properties, intangible assets, deferred tax assets, prepayments, deferred tax liabilities and employee benefits plan.

The company recognises financial assets and financial liabilities in the statement of financial position when, and only when, the company becomes party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value. Financial liabilities are initially recognised at fair value, representing the proceeds received net of premiums, discounts and transaction costs that are directly attributable to the financial liability.

All regular way purchases and sales of financial assets and financial liabilities classified as fair value through profit or loss ("FVTPL") are recognised on the trade date, i.e. the date on which the company commits to purchase or sell the financial assets or financial liabilities. All regular way purchases and sales of other financial assets and financial liabilities are recognised on the settlement date, i.e. the date on which the asset or liability is received from or delivered to the counterparty. Regular way purchases or sales are purchases or sales of financial assets that require delivery within the time frame generally established by regulation or convention in the market place.

Subsequent to initial measurement, financial assets and financial liabilities are measured at either amortised cost or fair value.

Classification and measurement

Financial instruments are classified at inception into one of the following categories, which then determine the subsequent measurement methodology:-

Financial assets are classified into one of the following three categories:-

- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income (FVTOCI); or
- financial assets at fair value through the profit or loss (FVTPL).

Financial liabilities are classified into one of the following two categories:-

- financial liabilities at amortised cost; or
- financial liabilities at fair value through the profit or loss (FVTPL).

The classification and the basis for measurement are subject to the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, as detailed below:-

3 Critical accounting judgements and key sources of estimation uncertainty

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.

Geofirma Soils Engineering Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 May 2023 (continued)

4 Staff costs

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

	2023	2022
	No.	No.
Directors	<u>1</u>	<u>1</u>

5 Directors' remuneration

The remuneration of certain directors in the year was borne by a fellow subsidiary undertaking of the ultimate parent company, Hargreaves Services plc, and the details of that remuneration are disclosed in Hargreaves Services plc's accounts.

Geofirma Soils Engineering Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 May 2023 (continued)

6 Tax on profit/(loss)

Tax charged/(credited) in the profit and loss account

	2023 £ 000	2022 £ 000
Current taxation		
UK corporation tax adjustment to prior periods	-	16
Group relief	(20)	-
	<u>(20)</u>	<u>16</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2022 - higher than the standard rate of corporation tax in the UK) of 20% (2022 - 19%).

The differences are reconciled below:

	2023 £ 000	2022 £ 000
Loss before tax	(100)	-
Corporation tax at standard rate	(20)	-
Increase in current tax from adjustment for prior periods	-	16
Total tax (credit)/charge	<u>(20)</u>	<u>16</u>

Factors that may affect future tax expenses

Following the March 2022 budget, the corporate tax rate will increase from 19% to 25%, with effect from 1 April 2023. The deferred tax balances at 31 May 2023 and 31 May 2022 have been calculated based on the rate substantively enacted at the balance sheet date of 25%.

7 Debtors

	31 May 2023 £ 000	31 May 2022 £ 000
Trade debtors	-	6
Group relief receivable	20	-
Other taxes and social security	-	1
	<u>20</u>	<u>7</u>

Geofirma Soils Engineering Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 May 2023 (continued)

8 Creditors: amounts falling due within one year

	31 May 2023	31 May 2022
Note	£ 000	£ 000
Bank overdraft	-	3

The bank overdraft is denominated in sterling, does not attract interest and is repayable on demand. It is part of the group's banking facility.

9 Provisions for liabilities

	Other provisions £ 000	Total £ 000
Made during the year	100	100
At 31 May 2023	100	100

The insurance provision of £100,000 represents an outstanding excess amount for a claim which has been made but not settled and where there is a reasonable expectation of an economic outflow. The provision is expected to be settled within the next 12 months.

10 Called up share capital

Allotted, called up and fully paid shares

	31 May 2023		31 May 2022	
	No.	£	No.	£
Ordinary shares of £1 each	19,500	19,500	19,500	19,500

11 Parent and ultimate parent undertaking

The company's immediate parent is C.A. Blackwell (Contracts) Limited.

The ultimate parent is Hargreaves Services plc. 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.