

Hargreaves Services Forestry Limited

Directors' Report and Financial Statements

Registered number 08587102

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 management company of forestry property.

The results for the year ended 31 May 2020 show a turnover of £nil (2019: £344,000) and a profit before tax for the year of £210,000 (2019: £209,000).

Future Developments

The company will continue the management and orderly disposal of its forestry related assets.

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:

IP Slater
Hargreaves Corporate Director Limited
DR Anderson (appointed 6 September 2019)

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

Going Concern

The Company is party to a group composite debenture arrangement with certain of the companies in the Hargreaves Services plc group. This is in respect of the banking arrangements of Hargreaves Services plc (as outlined further in the Hargreaves Services plc group accounts) which are secured by means of both fixed and floating charges over all assets and undertakings of the Company.

The Hargreaves Group has material assets and financial resources at its disposal together with robust risk management and capital allocation processes. Committed banking facilities are in place until 31 July 2021 and the Board is confident that suitable new facilities will be secured to replace them. A rigorous process of reviewing cash flow forecasts and testing for a range of challenging downside sensitivities has been undertaken. Those sensitivities take account of severe but plausible downside scenarios as a result of the impact of Covid-19.

Directors' Report *(continued)*

Going Concern *(continued)*

Only remedies to these downsides which are entirely within the Group's control have been assumed to be achievable mitigations to those sensitivities. At all times, the Group's banking covenants, and cash headroom have remained intact under this stress testing process. Therefore, and after making appropriate enquiries, including reviewing budgets and strategic plans, the Group's Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Board of Hargreaves Services plc continues to adopt the going concern basis in preparing the Annual Report and Accounts of Hargreaves Services plc.

As a result of the above, the financial statements of the Company 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, through funding from its ultimate parent company, Hargreaves Services plc, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Hargreaves Services plc not seeking repayment of the amounts currently due to the group and providing additional financial support during that period. 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, for the period covered by the forecasts.

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.

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.

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Auditors

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.

Following a tender process during the year PricewaterhouseCoopers LLP were appointed as the auditor of the company.

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

On behalf of the board



JOHN SAMUEL

Hargreaves Corporate Director Limited
Director

West Terrace
Esh Winning
Co Durham
DH7 9PT

10 August 2020

Statement of Directors' Responsibilities in Respect of 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 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.

Independent Auditors' Report to the Members of Hargreaves Services Forestry Limited

Report on the audit of the financial statements

Opinion

In our opinion, Hargreaves Services Forestry Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 May 2020; the Profit and Loss Account and Other Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusion relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Independent Auditors' Report to the Members of Hargreaves Services Forestry Limited (Continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 May 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Independent Auditors' Report to the Members of Hargreaves Services Forestry Limited (Continued)

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Nicholas Cook (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
/O August 2020

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

	<i>Note</i>	2020 £000	2019 £000
Turnover	2	-	344
Cost of sales		210	(135)
		<hr/>	<hr/>
Profit before taxation		210	209
Tax on profit	5	(40)	(40)
		<hr/>	<hr/>
Profit for the financial year		170	169
		<hr/>	<hr/>

There was no other comprehensive income in addition to the result shown above from both the current and previous year.

Balance Sheet
at 31 May 2020

	<i>Note</i>	2020 £000	2019 £000
Current assets			
Stock	6	39	39
Debtors	7	689	689
		<hr/>	<hr/>
		728	728
Creditors: amounts falling due within one year	8	(139)	(309)
		<hr/>	<hr/>
Net assets		589	419
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account		589	419
		<hr/>	<hr/>
Shareholders' funds		589	419
		<hr/>	<hr/>

These financial statements on pages 7 to 17 were approved by the board of directors on 10 August 2020 and were signed on its behalf by:


 JOHN SAMUEL

Hargreaves Corporate Director Limited
Director

Registered number: 08587102

Statement of Changes in Equity

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 June 2018	-	250	250
Total comprehensive income for the year			
Profit for the financial year	-	169	169
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	169	169
	<hr/>	<hr/>	<hr/>
Balance at 31 May 2019	-	419	419
	<hr/>	<hr/>	<hr/>
Balance at 1 June 2019	-	419	419
Total comprehensive income for the year			
Profit for the financial year	-	170	170
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	170	170
	<hr/>	<hr/>	<hr/>
Balance at 31 May 2020	-	589	589
	<hr/>	<hr/>	<hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

Hargreaves Services Forestry 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, County 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 company meets its day to day working capital requirements through support from related companies and the Company's ultimate parent undertaking. Hargreaves Services plc, one of the company's shareholders, 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 the accounts. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue to operate in existence for the foreseeable future. Accordingly they continue to prepare the accounts on a going concern basis.

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade 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.

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) 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.

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.

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.

Notes (continued)

1 Accounting policies (continued)

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

	2020 £000	2019 £000
Sale of goods	-	344

3 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 and its associates 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.

4 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

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.

Notes (continued)

5 Taxation

Recognised in the profit and loss account

	2020 £000	£000	2019 £000	£000
<i>UK corporation tax</i>				
Group relief payable	40		40	
	<hr/>		<hr/>	
Total current tax		40		40
		<hr/>		<hr/>
Tax expense on profit		40		40
		<hr/>		<hr/>

Reconciliation of effective tax rate:

	2020 £000	2019 £000
Profit for the year	170	169
Total tax expense	40	40
	<hr/>	<hr/>
Profit excluding taxation	210	209
	<hr/>	<hr/>
Tax using the UK corporation tax rate of 19% (2019: 19.%)	40	40
	<hr/>	<hr/>
Total tax expense	40	40
	<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%).

6 Stocks

	2020 £000	2019 £000
Trading properties	39	39
	<hr/>	<hr/>

Trading property stocks recognised as cost of sales in the year amounted to £nil (2019: £29,000). There were no stock write downs or reversals in the current or prior periods.

Notes (continued)

7 Debtors

	2020 £000	2019 £000
Amounts owed by group undertakings	689	689
	<u>689</u>	<u>689</u>

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

8 Creditors: amounts falling due within one year

	2020 £000	2019 £000
Amounts owed to Group undertakings	59	58
Other creditors	-	211
Group relief payable	80	40
	<u>139</u>	<u>309</u>

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

9 Capital and reserves

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

Notes (continued)

10 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 year end, the company had no balances outstanding with, or sales to/purchases from any other related parties. At the previous year end, the company had no balances outstanding with, or sales to/purchases from any other related party, other than those listed below:

	2019		Balance outstanding debtor/ (creditor) £000
	Purchases from £000	Sales to £000	
Rocpower Limited	-	-	(19)

11 Contingent liabilities

The Company is party to a group composite debenture arrangement with certain of the companies in the Hargreaves Services plc group. This is in respect of the banking arrangements of Hargreaves Services plc (as outlined further in the Hargreaves Services plc group accounts) which are secured by means of both fixed and floating charges over all assets and undertakings of the Company. The total amount drawn on the group banking facility at 31 May 2020 was £32,000,000 (2019: £27,000,000).

12 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.