


Registration number: 08588508

OCCW (Damside) Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 May 2023

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OCCW (Damside) Limited

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OCCW (Damside) Limited

Company Information

Directors D Anderson
Hargreaves Corporate Director Limited
S Craigen

Registered office West Terrace
Esh Winning
County Durham
DH7 9PT

OCCW (Damside) 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 activity

The principal activity of the company was planning the operation of a reduced restoration scheme at Damside. The value of the land asset at Damside has now been realised and the company will remain dormant.

Future developments

The directors foresee no material change in the nature of the Company's activities.

Business review

Principal risks and uncertainties

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

Dividends

During the year a dividend of £498,000 (2022: £nil) was paid.

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:

D Anderson

Hargreaves Corporate Director Limited

I Slater (resigned 27 April 2023)

The following director was appointed after the year end:

S Craigen - Director (appointed 7 August 2023)

Directors' liabilities

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

OCCW (Damside) Limited

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

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.

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

OCCW (Damside) Limited

Profit and Loss Account for the Year Ended 31 May 2023

	Note	2023 £ 000	2022 £ 000
Cost of sales		-	316
Administrative expenses		-	(715)
Other income	4	<u>-</u>	<u>398</u>
Loss before tax		-	(1)
Tax on profit/(loss)	6	<u>345</u>	<u>(122)</u>
Profit/(loss) for the year		<u>345</u>	<u>(123)</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.

OCCW (Damside) Limited

(Registration number: 08588508)

Balance Sheet as at 31 May 2023

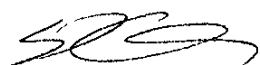
	Note	31 May 2023 £ 000	31 May 2022 £ 000
Current assets			
Debtors	7	-	860
Creditors: Amounts falling due within one year	8	-	(608)
Total assets less current liabilities		-	252
Provisions for liabilities	6	-	(99)
Net assets		-	153
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account		-	153
Shareholders' funds		-	153

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.

OCCW (Damside) Limited

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

	Called up share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 June 2021	-	276	276
Loss for the year	-	(123)	(123)
Total comprehensive income	-	(123)	(123)
At 31 May 2022	-	153	153
	Called up share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 June 2022	-	153	153
Profit for the year	-	345	345
Total comprehensive expense	-	345	345
Dividends	-	(498)	(498)
At 31 May 2023	-	-	-

OCCW (Damside) 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
DH17 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.

OCCW (Damside) Limited

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

2 Accounting policies (continued)

Going concern

The financial statements have been prepared on a going concern basis.

The company has net current assets of £- (2022: £252,000) including a £- (2022: £-) creditor 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 have prepared group 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 group will have sufficient funds, to meet its liabilities as they fall due for that period.

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.

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.

Finance income and costs policy

Net financing costs comprise interest payable, finance charges on leases and interest receivable on funds invested net of the interest on the defined benefit pension scheme liability. This is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the year to the net defined benefit liability.

Interest income and interest payable is recognised in the Income Statement as it accrues, using the effective interest method. Dividend income is recognised in the Income Statement on the date the entity's right to receive payment is established.

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.

OCCW (Damside) Limited

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

2 Accounting policies (continued)

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.

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.

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.

OCCW (Damside) Limited

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

2 Accounting policies (continued)

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.

4 Other income

The analysis of the company's other gains and losses for the year is as follows:

	2023	2022
	£ 000	£ 000
Gain or loss from sales of investment properties	<u>-</u>	<u>398</u>

5 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>2</u>	<u>2</u>

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

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

OCCW (Damside) 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	(245)	-
Group relief	-	(60)
	<u>(245)</u>	<u>(60)</u>
Deferred taxation		
Arising from origination and reversal of temporary differences	-	178
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	(100)	4
	<u>(100)</u>	<u>182</u>
Tax (receipt)/expense in the profit and loss account	<u>(345)</u>	<u>122</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2022 - lower 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	<u>-</u>	<u>(1)</u>
Corporation tax at standard rate	-	-
Decrease in current tax from adjustment for prior periods	(245)	-
Deferred tax expense from unrecognised tax loss or credit	-	19
Deferred tax expense from unrecognised temporary difference from a prior period	-	4
Deferred tax (credit)/expense relating to changes in tax rates or laws	<u>(100)</u>	<u>99</u>
Total tax (credit)/charge	<u>(345)</u>	<u>122</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 2025. 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%.

OCCW (Damside) Limited

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

6 Tax on profit/(loss) (continued)

Deferred tax

Deferred tax assets and liabilities

Deferred tax movement during the year:

	At 1 June 2022 £ 000	Recognised in income £ 000	At 31 May 2023 £ 000
Capital gains/losses	(99)	99	-
Net tax assets/(liabilities)	(99)	99	-

Deferred tax movement during the prior year:

	At 1 June 2021 £ 000	Recognised in income £ 000	At 31 May 2022 £ 000
Tax losses carry-forwards	62	(62)	-
Tangible fixed assets	(58)	58	-
Temporary timing differences	79	(79)	-
Capital gains/losses	-	(99)	(99)
Net tax assets/(liabilities)	83	(182)	(99)

7 Debtors

	Note	31 May 2023 £ 000	31 May 2022 £ 000
Loans to group undertakings		-	800
Group relief receivable		-	60
		-	860

Loans to 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

	Note	31 May 2023 £ 000	31 May 2022 £ 000
Bank overdraft		-	363
Income tax liability		-	245
		-	608

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.

OCCW (Damside) Limited

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

9 Called up share capital

Allotted, called up and fully paid shares

	31 May 2023		31 May 2022	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

10 Related party transactions

Summary of transactions with other related parties

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.

All transactions and outstanding balances relate to general intercompany trade and working capital management.

11 Parent and ultimate parent undertaking

The company's immediate parent is Hargreaves Land 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.