

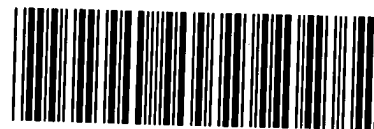
OCCW (Chalmerston) Limited

Directors' Report and Financial Statements

Registered number 08588284

31 May 2019

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Directors' Report

The directors present their Directors' Report and the financial statements for the year ended 31 May 2019.

Principal activities and business review

The company's principal activity is the management, restoration and development of the former open cast working at Chalmerston.

The results of the company are shown on page 6.

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.

Proposed dividend

The directors do not recommend the payment of a dividend (2018: £nil).

Directors

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

Hargreaves Corporate Director Limited	(appointed 23 November 2018)
GM Liggins	
IP Slater	(appointed 8 October 2018)

Disclosure of information to auditor

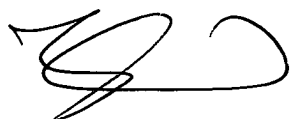
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken relevant steps that he ought to have taken as a director to make himself aware of any relevant information and to establish that the company's auditor is aware of that information.

Auditor

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.

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

By order of the board



Hargreaves Corporate Director Limited
Director

West Terrace
Esh Winning
Durham
DH7 9PT

30 August 2019

Statement of Directors' Responsibilities in Respect of the Directors' Report and 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



KPMG LLP
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

Independent Auditor's Report to the Members of OCCW (Chalmerston) Limited

Opinion

We have audited the financial statements of OCCW Chalmerston Limited ("the company") for the year ended 31 May 2019 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as the recoverability of trade debtors, estimates in respect of provisions and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Independent Auditor's Report to the Members of OCCW (Chalmerston) Limited *(Continued)*

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent Auditor's Report to the Members of OCCW (Chalmerston) Limited *(Continued)*

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Johnathan Pass (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

6 September 2019

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 May 2019

	<i>Note</i>	2019 £000	2018 £000
Administrative expenses		8	(18)
Profit/(loss) before taxation		8	(18)
Tax on (profit)/loss	<i>4</i>	(5)	3
Profit/(loss) for the financial year		3	(15)

All results are derived from continuing operations.

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

Balance Sheet
at 31 May 2019

	<i>Note</i>	2019 £000	£000	2018 £000	£000
Fixed assets					
Investment properties	5	39		-	
Deferred tax asset	6	85		85	
			<u>124</u>		<u>85</u>
Current assets					
Debtors	7	-		5	
Cash at bank and in hand		49		38	
		<u>49</u>		<u>43</u>	
Creditors: amounts falling due within one year	8	(47)		(5)	
			<u>2</u>		<u>38</u>
Net current assets					
			<u>126</u>		<u>123</u>
Total assets plus net current assets					
Provisions					
Restoration provision	9	(500)		(500)	
			<u>(374)</u>		<u>(377)</u>
Net liabilities					
Capital and reserves					
Called up share capital	10	-		-	
Profit and loss account		(374)		(377)	
			<u>(374)</u>		<u>(377)</u>
Shareholders' deficit					
			<u>(374)</u>		<u>(377)</u>

These financial statements were approved by the board of directors on 30 August 2019 and were signed on its behalf by:



Hargreaves Corporate Director Limited
Director

Registered number: 08588284

Statement of Changes in Equity

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 June 2017	-	(362)	(362)
Total comprehensive expense for the year			
Loss	-	(15)	(15)
	<hr/>	<hr/>	<hr/>
Total comprehensive expense for the year	-	(15)	(15)
	<hr/>	<hr/>	<hr/>
Balance at 31 May 2018	-	(377)	(377)
	<hr/>	<hr/>	<hr/>
Balance at 1 June 2018	-	(377)	(377)
Total comprehensive income for the year			
Profit	-	3	3
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	3	3
	<hr/>	<hr/>	<hr/>
Balance at 31 May 2019	-	(374)	(374)
	<hr/>	<hr/>	<hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

OCCW (Chalmerston) Limited (the "Company") is incorporated, domiciled and registered in the UK.

Basis of preparation

These financial statements were prepared in accordance with 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;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- 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; 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*.

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

In these financial statements various IFRSs which are effective for the first time have been adopted, including the following standards, amendments and interpretations:

- IFRS 9, Financial Instruments

The new accounting standard IFRS 9 Financial Instruments addresses the classification and measurement of financial assets and liabilities and replaces IAS 39. Among other things, the standard introduces a forward looking credit loss impairment model whereby entities need to consider and recognise impairment triggers that might occur in the future (an 'expected loss' model). The Company has adopted IFRS 9 and has chosen to apply the retrospective approach.

Judgements made by the directors, in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed within this note.

Measurement convention

The financial statements are prepared on the historical cost basis.

Notes (continued)

1 Accounting policies (continued)

Going concern

Notwithstanding net liabilities of £374,000 as at 31 May 2019 and a profit for the year then ended of £3,000, the financial statements 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, which at 31 May 2019 amounted to £41,000, and providing additional financial support during that period. Hargreaves Services plc has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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.

Investment properties

Investment properties are properties which are held either to earn rental income, or for capital appreciation, or for both. Investment properties are stated at cost less impairment.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

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.

Notes (continued)

1 Accounting policies (continued)

Classification of financial instruments issued by the Company (continued)

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) continue to be 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.

Derivative Financial Instruments

The Company uses forward foreign currency contracts to manage its exchange rate risk. The Company also uses derivative sale and purchase contracts to mitigate the risk of fluctuating coal and fuel prices and exchange rate risk.

Derivative financial instruments are recognised initially at fair value and are subsequently remeasured to fair value at each reporting date and changes therein are accounted for as described as follows.

Cash Flow Hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a highly probable forecast transaction (for example, interest payments, sales and purchases denominated in foreign currency, sale and purchase of commodities), changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in the hedging reserve to the extent that the hedge is effective. Amounts deferred in equity are recognised in the Income Statement when the hedged item affects profit or loss. To the extent that the hedge is ineffective, changes in fair value are recognised immediately in profit or loss.

Derivatives designated as hedging instruments are accounted for in line with the nature of the hedging arrangement. Derivatives are intended to be highly effective in mitigating the above risks, and hedge accounting is adopted where the required hedge documentation is in place and the relevant test criteria are met. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the Income Statement as part of financing costs. The Company continues to apply IAS 39 for the purposes of hedge accounting as permitted under IFRS 9.

Notes (continued)

1 Accounting policies (continued)

Non-Financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Income Statement. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

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.

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.

Dividends on shares presented within shareholders' funds

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.

Taxation

Tax on the profit or loss for the period comprises both current and deferred tax. Tax is recognised in the profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Accounting estimates and judgements

Restoration costs

Obligations exist at the Chalmerston site to carry out restoration at the end of the productive life. The related provisions are based on the nature and extent of the contamination and the estimated costs of restoration. These key assumptions are reviewed on a regular basis and these reviews may lead to adjustments to the provisions over their lives. The carrying value of the provision as at 31 May 2019 is £500,000 (2018: £500,000).

Notes (continued)

2 Expenses and auditor's remuneration

Included within administrative expenses is £10,000 in relation to a rates rebate (2018: £nil).

The fee for the audit of the Company was borne by the ultimate parent company.

Amounts receivable by the Company's auditor 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 ultimate parent, Hargreaves Services plc.

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	
	2019	2018
Directors	2	1

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.

Notes (continued)

4 Taxation

Recognised in the profit and loss account:

	2019 £000	£000	2018 £000	£000
<i>UK corporation tax</i>				
Group relief payable	2		-	
Adjustment to group relief in respect of prior years	-		(3)	
Adjustment to corporation tax in respect of prior years	3		-	
Total current tax		5		(3)
Tax on profit/(loss)		5		(3)

Reconciliation of effective tax rate:

	2019 £000	2018 £000
Profit/(loss) for the year	3	(15)
Total tax charge/(credit)	5	(3)
Profit/(loss) excluding taxation	8	(18)
Tax using the UK corporation tax rate of 19% (2018: 19%)	2	(3)
Over provided in prior years	3	-
Total tax credit	5	(3)

Factors that may affect future tax expenses

The UK corporation tax rate reduced from 20% to 19% (effective from 1 April 2017) and remained at 19% for the tax year beginning 1 April 2018. On 16 March 2016 it was announced that the main rate of UK Corporation Tax would reduce further to 17% on 1 April 2020. This change was substantively enacted on 6 September 2016. This will reduce the company's current tax charge accordingly. The deferred tax balances at 31 May 2019 and 31 May 2018 have been calculated based on the rate of 17% substantively enacted at the Balance Sheet date.

5 Investment properties

	Total £000
<i>Cost and net book value</i>	
At the beginning of the year	-
Additions	39
At the end of the year	39

These properties are being held for investment and development purposes.

The investment properties are held at cost less accumulated depreciation and impairment. The director is satisfied that the net book value is supportable with reference to the open market value and that no further impairment is required.

Notes (continued)

6 Deferred taxation

Recognised deferred tax assets and (liabilities) are attributable to the following:

	Assets		Liabilities		Net	
	2019 £000	2018 £000	2019 £000	2018 £000	2019 £000	2018 £000
Temporary timing differences	85	85	-	-	85	85
Tax assets/(liabilities)	85	85	-	-	85	85

Movement in deferred tax during the year:

	31 May 2018 £000	Recognised in income £000	Recognised in equity £000	31 May 2019 £000
Temporary timing differences	85	-	-	85

Movement in deferred tax during the prior year:

	31 May 2017 £000	Recognised in income £000	Recognised in equity £000	31 May 2018 £000
Temporary timing differences	85	-	-	85

7 Debtors

	2019 £000	2018 £000
Trade debtors	-	1
Corporation tax	-	4
	-	5

8 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Amounts owed to group undertakings	41	-
Accruals	4	5
Group relief	2	-
	47	5

Notes (continued)

9 Provisions

	Restoration provision £000
At beginning and end of year	500

The Company is subject to certain restoration obligations due to its ownership of the land at the Chalmerston open cast coal works. The provision above relates solely to the expenses that the Directors expect to incur with reasonable certainty. Any movement in the provision is included in cost of sales. The provision above is not expected to be utilised in the next 12 months.

10 Capital and reserves

	2019 £	2018 £
<i>Allotted, called up and fully paid</i>		
1 Ordinary share of £1 each	1	1

11 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.

12 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 2019 was £27,000,000 (2018: £39,260,000).

13 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 ultimate controlling party.

The Company's immediate controlling party is Hargreaves Land Limited which has a registered address at West Terrace, Esh Winning, Durham, DH7 9PT.

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.