Company Registration No. 06995899

TOWER REGENERATION LIMITED

Annual Report and Consolidated Financial Statements

For the year ended 31 May 2019

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS 2019

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

K J S Dougan (resigned 31 May 2019)
S L Anson (resigned 31 May 2019)
G N Davies
T O'Sullivan
A Shott
D T Pearce (resigned 28 February 2019)
W Thomas
C Philpotts
D R Anderson (appointed 31 May 2019)
G M Liggins (appointed 31 May 2019)
L Weatherall (appointed 31 May 2019)

SECRETARY

S MacQuarrie (resigned 28 February 2019)

REGISTERED OFFICE

Tower Colliery
Tirherbert Road
Rhigos
Aberdare
Mid Glamorgan
CF44 9UF

BANKERS

Lloyds TSB Bank Plc
Black Horse House
91 Sandyford Road
Newcastle upon Tyne
NE99 1JW

SOLICITORS

Swinburne Maddison LLP
Venture House
Aykley Heads Business Centre
Durham
DH1 5TS

AUDITOR

KPMG LLP
Statutory Auditor
Newcastle-upon-Tyne
United Kingdom

STRATEGIC REPORT

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the group and company in the year was that of the restoration of land now that coaling operations are discontinued. The group and company are also developing a mixed use sitewide masterplan in conjunction with local stakeholders to be implemented once restoration is complete.

KEY PERFORMANCE INDICATORS

We monitor our performance, implementing our strategy with reference to key targets set for the following financial and non-financial key performance indicators for the group as follows:

	2019	**2018**
	£'000	**£'000**
Revenue	687	-
Operating loss	(2,204)	(8,495)
Operating cash flow	(6,770)	(2,096)

RISKS AND UNCERTAINTIES

Mining and operational risk

The group's operations are subject to all of the hazards and risks normally encountered with the restoration of a surface mine. The risks include adverse weather conditions, flooding, mechanical plant failure, and uncertain geological and challenging operating conditions. Appropriate levels of site investigation are undertaken to minimise the risks of flooding and to understand the site's geology. Investing in state-of-the-art operational equipment with a rigorous maintenance programme and employing highly skilled operatives mitigates these risks.

Health and safety

The working environment has numerous and varied risks which are mitigated through the provision of systems, training, equipment and supervision. Risk is evaluated and monitored by management to identify potential risks and ensure safe working practices.

Human resources and operations

People are the company's most important asset and are the key to ensuring its systems operate effectively. The company works hard at recruiting, training and developing staff to mitigate the risk of system or human error.

POLICY ON PAYMENT OF CREDITORS

The company does not follow any code or standard on payment practice. It is the company's policy:

(i) to settle the terms of payment with suppliers when agreeing the terms of transactions with that supplier;
(ii) to ensure that suppliers are made aware of the terms of payment; and
(iii) to abide by the terms of payment.

STRATEGIC REPORT (continued)

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

EMPLOYEE CONSULTATION

The group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the group. This is achieved through formal and informal meetings. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Approved by the Board of Directors
and signed on behalf of the Board

G N Davies

G N Davies
Director
Date: 25/02/20

DIRECTORS' REPORT

The directors present their annual report and the audited consolidated financial statements for the year ended 31 May 2019.

Disclosures required by s416(4) which have been elevated to the Strategic Report:
- Risks and uncertainties

DIRECTORS

The directors of the company, who served throughout the year and subsequently to the date of this report, unless otherwise stated, are as shown on page 1.

RESULTS AND DIVIDENDS

The loss for the year, before taxation, amounted to £3,959,000 (2018 – £10,361,000). The directors do not recommend the payment of a dividend for the current financial year (2018 - £nil).

GOING CONCERN

In previous years, the financial statements have been prepared on a going concern basis. However, during the year ended 31 May 2017 the directors took the decision to cease trading following movement into the restoration phase of the project to restore the land to the condition agreed between the council and the entity, as management do not deem the restoration to be a trading activity. Accordingly, the directors have not prepared the financial statements on a going concern basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements.

BREXIT

The uncertainty of the final outcome to the Brexit discussions is constantly in the headlines. As far as Tower Regeneration Limited is concerned, the company carries out all of its activities within the UK and has no import/export activity with the EU. As a result, the Board does not expect any material direct impact on the company whatever the final resolution of Brexit may be. Of course, it is impossible to assess with any degree of accuracy the broader macro-economic impact of Brexit on either the EU or the UK.

FUTURE DEVELOPMENTS

The bulk earthworks phase of restoration of the mine is planned to continue until July 2020, following which the site will enter a restoration aftercare regime. The company is developing a mixed use sitewide masterplan in conjunction with local stakeholders to be implemented once restoration is complete.

AUDITOR

In the case of each of the persons who are directors of the company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

KPMG LLP were appointed as auditor on 25 June 2019. KPMG LLP have indicated their willingness to continue in office as the company's auditor and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board

G N Davies
G N Davies
Director
Date: 25/02/20

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare both the group and the parent company financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the group and parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so. As explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its 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 group 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOWER REGENERATION LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Tower Regeneration Limited ("the company") for the year ended 31 May 2019 which comprise the consolidated statement of comprehensive income, the consolidated and parent company statements of financial position, the consolidated and parent company statements of changes in equity, the consolidated and parent company statements of cash flows 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 group's and of the parent company's affairs as at 31 May 2019 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU);
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 group 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 Britain 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, 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 group's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and its effects are subject to unprecedented levels of uncertainty of consequences, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the group'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.

Emphasis of matter – non-going concern basis of preparation

We draw attention to the disclosure made in note 1 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reasons set out in our note. Our opinion is not modified in respect of this matter.

Strategic report and directors' report

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

Our responsibility is to read the strategic report and 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 strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOWER REGENERATION LIMITED

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, 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 group and parent 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 group or the parent 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.

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.

JPass

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

26/2/2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 31 MAY 2019

	Note	2019 £'000	2018 £'000
REVENUE	2	687	-
Cost of sales		(2,063)	(8,094)
GROSS LOSS		(1,376)	(8,094)
Administrative expenses		(828)	(401)
OPERATING LOSS		(2,204)	(8,495)
(Loss)/profit on asset disposal		(254)	59
Loss on impairment of assets held for sale		(245)	(614)
Interest income		25	19
Finance cost	7	(1,281)	(1,330)
LOSS BEFORE TAXATION	3	(3,959)	(10,361)
Tax on loss	8	3	136
LOSS FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE LOSS	15	(3,956)	(10,225)
Attributable to			
Equity holders of the company		(3,956)	(10,225)

All amounts in the current and prior financial year relate to discontinued operations.

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 May 2019

	Note	2019 £'000	2018 £'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,101	6,107
Other non-current assets	11	5,079	10,146
		6,180	16,253
CURRENT ASSETS			
Trade and other receivables	12	88	3,309
Assets held for sale	13	4,765	7,355
Cash and cash equivalents	14	799	793
TOTAL CURRENT ASSETS		5,652	11,457
TOTAL ASSETS		11,832	27,710
CURRENT LIABILITIES			
Trade and other payables	16	(18,446)	(1,868)
		(18,446)	(1,868)
NON-CURRENT LIABILITIES			
Creditors: Amounts falling due after more than one year	17	-	(20,284)
Deferred tax liabilities	18	(577)	(580)
Provisions	19	(4,831)	(13,044)
		(5,408)	(33,908)
TOTAL LIABILITIES		(23,854)	(35,776)
NET (LIABILITIES) / ASSETS		(12,022)	(8,066)
EQUITY			
Issued capital	21	-	-
Retained earnings	15	(12,022)	(8,066)
TOTAL (DEFICIT) / EQUITY	22	(12,022)	(8,066)

The financial statements of Tower Regeneration Limited, registered number 06995899, were approved by the Board of Directors and authorised for issue on

The accompanying notes form part of these financial statements.

Signed on behalf of the Board of Directors

G N Davies 25/02/20

G N Davies
Director

COMPANY STATEMENT OF FINANCIAL POSITION
As at 31 May 2019

	Note	2019 £'000	2018 £'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,101	1,101
Investments	10	-	-
Other non-current assets	11	5,079	10,146
		6,180	11,247
CURRENT ASSETS			
Trade and other receivables	12	6,678	15,937
Cash and cash equivalents	14	357	698
TOTAL CURRENT ASSETS		7,035	16,635
TOTAL ASSETS		13,215	27,882
CURRENT LIABILITIES			
Trade and other payables	16	(19,249)	(2,080)
TOTAL CURRENT LIABILITIES		(19,249)	(2,080)
NON-CURRENT LIABILITIES			
Creditors: Amounts falling due after more than one year	17	-	(20,284)
Provisions	19	(4,831)	(13,044)
		(4,831)	(33,328)
TOTAL LIABILITIES		(24,080)	(35,408)
NET (LIABILITIES) / ASSETS		(10,865)	(7,526)
EQUITY			
Share capital	21	-	-
Retained earnings	15	(10,865)	(7,526)
TOTAL (DEFICIT) / EQUITY	22	(10,865)	(7,526)

As permitted by section 408 of the Companies Act 2006, the statement of comprehensive income of the parent company is not presented as part of these financial statements. The parent company achieved a loss of £3,956,000 for the financial year ended 31 May 2019 (2018 – loss of £10,225,000).

The accompanying notes form part of these financial statements.

The financial statements of Tower Regeneration Limited, registered number 06995899, were approved by the Board of Directors and authorised for issue on

Signed on behalf of the Board of Directors

GNDavies 25/02/20

G N Davies

Director

CONSOLIDATED AND COMPANY STATEMENTS OF CHANGES IN EQUITY
As at 31 May 2019

	Share capital £'000	Retained earnings £'000	Total equity £'000
Group			
Balance as at 1 June 2017	-	2,159	2,159
Loss for the year and total comprehensive loss	-	(10,225)	(10,225)
Balance as at 1 June 2018	-	(8,066)	(8,066)
Loss for the year and total comprehensive loss	-	(3,956)	(3,956)
Balance as at 31 May 2019	-	(12,022)	(12,022)

	Share capital £'000	Retained earnings £'000	Total equity £'000
Company			
Balance as at 1 June 2017	-	2,198	2,198
Loss for the year and total comprehensive loss	-	(9,724)	(9,724)
Balance as at 1 June 2018	-	(7,526)	(7,526)
Loss for the year and total comprehensive loss	-	(3,339)	(3,339)
Balance as at 31 May 2019	-	(10,865)	(10,865)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 May 2019

	Note	2019 £'000	2018 £'000
Net cash flows from discontinuing operations	23	(6,770)	(2,096)
Investing activities			
Proceeds from sale of assets held for sale		6,751	-
Proceeds from sale of property, plant and equipment		-	59
Interest received		25	20
Net cash used in investing activities		6,776	79
Financing activities			
Repayment of obligations under finance leases		-	(797)
Net cash used in financing activities		-	(797)
Net (decrease)/increase in cash and cash equivalents		6	(2,814)
Cash and cash equivalents at beginning of year	14	793	3,607
Cash and cash equivalents at end of year	14	799	793

The accompanying notes form part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS
For the year ended 31 May 2019

	Note	2019 £'000	2018 £'000
Net cash flows from discontinuing operations	23	(366)	(2,945)
Investing activities			
Proceeds from sale of property, plant and equipment		-	59
Interest received		25	20
Net cash used in investing activities		25	79
Financing activities			
Repayment of obligations under finance leases		-	-
Net cash used in financing activities		-	-
Net (decrease)/increase in cash and cash equivalents		(341)	(2,866)
Cash and cash equivalents at beginning of year	14	698	3,564
Cash and cash equivalents at end of year	14	357	698

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2019

1. STATEMENT OF ACCOUNTING POLICIES

General information

The company is a private limited company incorporated and domiciled in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the business review on page 2.

These financial statements are presented in pound sterling because that is the currency of the primary economic environment in which the group operates.

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union as they apply to financial statements of the company for the year ended 31 May 2019 and applied in accordance with the Companies Act 2006.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The principal accounting policies adopted are set out below.

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
- IFRS 15, Revenue from Contracts with Customers

The new accounting standard IFRS 15 sets out a single and comprehensive framework for revenue recognition. The guidance in IFRS 15 is more detailed than previous IFRSs for revenue recognition (IAS 18 Revenue and associated interpretations). The Company has adopted IFRS 15 and has chosen to apply the retrospective approach.

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.

The adoption of the new standard above has had no material impact on the accounts.

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.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiaries) made up to 31 May each year. Control is achieved where the company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 May 2019

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Going concern

In previous years, the financial statements have been prepared on a going concern basis. However, during the year ended 31 May 2017 the directors took the decision to cease trading following movement into the restoration phase of the project to restore the land to the condition agreed between the council and the entity, as management do not deem the restoration to be a trading activity. Accordingly, the directors have not prepared the financial statements on a going concern basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements.

Property, plant and equipment

The cost of property, plant and equipment comprises its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in accordance with agreed specifications. Plant and equipment is stated at historic cost less accumulated depreciation and impairment.

Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs of disposal.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Depreciation

The costs of surface mining and other plant and equipment are depreciated at varying rates depending upon their expected useful economic lives. Excluding freehold land, the cost of plant and equipment, less estimated residual value, are written off on a straight-line basis over the asset's expected useful economic life. Residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. Changes to the estimated residual values or useful lives are accounted for prospectively.

No depreciation is provided on freehold land or mining assets. Depreciation is recorded over the useful lives of the other assets, as follows:

Plant and equipment		**Basis**
- plant and equipment	-	2 to 12 years
- motor vehicles	-	3 to 5 years

Restoration and rehabilitation costs

The activities of the company normally give rise to obligations for site restoration. Restoration works can include site decommissioning and dismantling and site and land rehabilitation. The extent of work required and the associated costs are dependent on the requirements of relevant authorities and the company's environmental policies.

An initial provision reflecting the current obligation for the cost of future site restoration is recognised at the commencement of the project as soon as the obligation to incur such costs arises. Costs for restoration of subsequent site damage, which is created on an ongoing basis, are recognised as a provision as they arise.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 May 2019

1. **STATEMENT OF ACCOUNTING POLICIES (continued)**

Restoration and rehabilitation costs (continued)

Restoration provisions are measured at the expected value of future cash flows, discounted to their present value applying an appropriate risk-adjusted rate. Significant judgements and estimates are involved in forming expectation of future activities and the amount and timing of the associated cash flows. Such expectations are based on existing planning requirements and management's future development plans which give rise to a constructive obligation.

Upon initial recognition of the restoration provision, the corresponding cost is capitalised as an asset, representing part of the cost of acquiring the future economic benefits of the operation. The capitalised cost is recognised as 'restoration assets' within 'mining assets'. This asset is amortised to the statement of comprehensive income on a units of production method over the life of the mine. Further 'restoration assets' are capitalised as additional provisions are created through production activities. These assets are amortised to the statement of comprehensive income on a units of production method over the coal from the area identified as giving rise to the additional restoration obligation.

The value of the provision is further increased over time as the effect of discounting unwinds, creating an expense recognised in 'other finance costs'.

Restoration provisions are also adjusted for changes in estimates, which are accounted for as a change in the corresponding capitalised cost, except where a reduction in the provision is greater than the unamortised capitalised cost of the related assets, in which case the capitalised cost is reduced to nil and the remaining adjustment is recognised in the statement of comprehensive income. Changes to the capitalised cost result in an adjustment to future amortisation and financial charges.

Given the significant judgements and estimates involved, adjustments to the estimated amount and timing of future restoration and rehabilitation cash flows are a normal occurrence. Factors influencing those changes include but are not limited to: revisions to estimated reserves and site operations; planning requirements and management's development plans; changes in the estimated cost and scope of anticipated activities.

Turnover

Turnover represents income received in the ordinary course of business for services provided and excludes value added tax. Revenue is recognised on a straight-line basis over the term of the relevant lease.

Leases

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

Assets held under finance leases are recognised as assets of the group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Trade receivables

Trade receivables, which generally have 30 to 60-day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision is made when there is objective evidence that the company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 May 2019

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the relevant instrument. Financial assets are derecognised when the rights to receive benefits have expired or been transferred, and the company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation is extinguished.

Non-derivative financial assets are classified as either receivables or cash and cash equivalents. They are stated at amortised cost using the effective interest method, subject to reduction for allowances for estimated irrecoverable amounts. A provision for impairment of trade receivables 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 those receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, and is recognised in the statement of comprehensive income. For interest-bearing assets, their carrying value includes accrued interest receivable.

Cash and cash equivalents include cash in hand and deposits held on call, together with other short-term highly liquid investments.

Non-derivative financial liabilities are stated at amortised cost using the effective interest method. For borrowings, their carrying value includes accrued interest payable, as well as any unamortised issue costs.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the statement of financial position date.

Deferred taxation is provided in full on timing differences that result in an obligation at the statement of financial position date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Temporary differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as probable that they will be recovered. Deferred tax assets and liabilities are not discounted.

Pensions

The company operates a defined contribution pension scheme. The amount charged to the statement of comprehensive income in respect of pension costs and other post-retirement benefits is the amount payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the statement of financial position.

Critical accounting judgements

There were no critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's accounting policies.

Key sources of estimation uncertainty

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 May 2019

1. STATEMENT OF ACCOUNTING POLICIES (continued)

The key areas that the directors consider to represent estimation uncertainty are in relation to the provision for restoration (note 19) and the impairment of the property, plant and equipment (note 9).

2. REVENUE

The analysis of revenue by geographical area is as follows:

	2019 £'000	2018 £'000
United Kingdom	687	-

3. LOSS BEFORE TAXATION

	2019 £'000	2018 £'000
The loss before taxation is stated after charging:		
Auditor's remuneration – audit fees	30	32
Depreciation of property, plant and equipment	345	1,579
Loss/(profit) on asset disposal	254	(59)
Impairment of assets held for sale	245	614

4. AUDITOR'S REMUNERATION

	2019 £'000	2018 £'000
The analysis of the auditor's remuneration is as follows:		
- Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	24	30
- The audit of the company's subsidiary	6	2
Total audit fees	30	32

The audit fee of the subsidiary of £6,000 (2018 - £2,000) was borne by the parent company in the current and the prior financial year.

5. DIRECTORS' REMUNERATION

The directors have been remunerated by their immediate employers. It is not practicable to allocate their services to the company from the services provided to their immediate employers and group companies of their immediate employers.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 May 2019

6. STAFF COSTS

	2019 No.	2018 No.
Group and Company		
Monthly average number of persons employed by the group, including directors, during the year		
Directors	8	8
Administration	3	7
Operations	4	-
Security	3	-
	18	15

Staff costs incurred during the year in respect of these employees (excluding directors):

	£'000	£'000
Wages and salaries	276	172
Social security costs	5	16
Other pension costs	2	1
	283	189

7. FINANCE COST

	2019 £'000	2018 £'000
Related party loan interest	1,281	1,287
Bank and external finance lease interest	-	43
	1,281	1,330

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 May 2019

8. TAX ON LOSS ON DISCONTINUED OPERATIONS

	2019 £'000	2018 £'000
United Kingdom corporation tax:		
Corporation tax:-		
Adjustment for prior year	-	(126)
Current tax credit	-	-
Total current tax credit	-	(126)
Deferred tax (see note 18)		
Origination and reversal of temporary differences	(3)	(106)
Adjustment to prior year	-	96
Total deferred tax (credit) / expense	(3)	(10)
Tax credit	(3)	(136)

Reconciliation of tax credit	**£'000**	**£'000**
Loss on discontinued operations before taxation	(3,959)	(10,361)
Tax at the UK corporation tax rate of 19% (2018 – 19%)	(752)	(1,969)
Taxes not deductible	-	-
Other tax adjustments, reliefs and transfers	(6)	(11)
Losses carried back	-	-
Deferred tax asset on losses not recognised	755	1,665
Other deferred tax movements	-	209
Deferred tax prior year adjustment	-	96
Current tax prior year adjustment	-	(126)
	(3)	(136)

Factors that may affect future tax expenses

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. This will reduce the company's future current tax charge accordingly. The deferred tax balances at 31 May 2019 and 31 May 2018 have been calculated based on the rate substantively enacted at the balance sheet date of 17% (*2018: 17%*).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 May 2019

9. PROPERTY, PLANT AND EQUIPMENT

Group

	Freehold land £'000	Mining assets £'000	Plant, equipment & motor vehicles £'000	Total £'000
Cost				
At 1 June 2018	1,101	51,691	17,945	70,737
Disposals	-	-	-	-
Reclassified as held for sale	-		(13,529)	(13,529)
At 31 May 2019	1,101	51,691	4,416	57,208
Accumulated depreciation				
At 1 June 2018	-	(51,691)	(12,939)	(64,630)
Charge for the year	-	-	(345)	(345)
Reclassified as held for sale	-	-	8,868	8,868
At 31 May 2018	-	(51,691)	(4,416)	(56,107)
Net book value				
At 31 May 2019	**1,101**	**-**	**-**	**1,101**
At 31 May 2018	1,101	-	5,006	6,107

Company

	Freehold land £'000	Mining assets £'000	Plant, equipment & motor vehicles £'000	Total £'000
Cost				
At 1 June 2018 and 31 May 2019	1,101	51,691	4,418	57,210
Accumulated depreciation				
At 1 June 2018 and 31 May 2019	-	(51,691)	(4,418)	(56,109)
Net book value				
At 31 May 2019	1,101	-	-	1,101
At 31 May 2018	1,101	-	-	1,101

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 May 2019

10. INVESTMENTS

Details of the company's subsidiary at 31 May 2019 are as follows:

	Proportion of ownership and operation	Proportion of ownership interest %	Proportion of voting power held %
Tower Regeneration Leasing Limited	Great Britain*	100	100

The cost and carrying value of the investment is £1 (2018 - £1) being 1 ordinary share of £1.

* The registered address is Tirherbert Road, Rhigos, Aberdare, Mid Glamorgan, CF44 9UF.

11. OTHER NON-CURRENT ASSETS

The other non-current assets of £5,079,000 (2018 - £10,146,000) relates to cash held by the local authority on behalf of the company to finance the restoration of the Tower Surface Mine site to the required specifications when coaling operations cease.

12. TRADE AND OTHER RECEIVABLES

	2019 £'000	2018 £'000
Group		
Trade receivables	18	18
Receivables from related parties	7	3,086
Corporation tax receivable	-	-
Prepayments and accrued income	27	10
Social security and other taxation	36	195
	88	3,309

	£'000	£'000
Company		
Trade receivables	18	18
Receivables from related parties	7	-
Corporation tax receivable	-	-
Prepayments and accrued income	27	10
Amounts receivable from group company	6,591	15,714
Social security and other taxation	35	195
	6,678	15,937

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 May 2019

13. ASSETS HELD FOR SALE

The major classes of assets and liabilities comprising the assets held for sale are as follows:

Group	2019 £'000	2018 £'000
Mining assets	4,765	7,355

During the year, the directors have written down assets held for sale to residual value, which resulted in an impairment of £245,000 (2018: £354,000). This was recognised through the statement of comprehensive income.

14. CASH AND CASH EQUIVALENTS

	2019 £'000	2018 £'000
Group		
Cash at bank and in hand	799	793
	£'000	**£'000**
Company		
Cash at bank and in hand	357	698

15. RETAINED EARNINGS

	2019 £'000	2018 £'000
Group		
Balance at beginning of year	(8,066)	2,159
Loss and total comprehensive loss for the financial year	(3,956)	(10,225)
Balance at end of year	(12,022)	(8,066)
	£'000	**£'000**
Company		
Balance at beginning of year	(7,526)	2,198
Loss and total comprehensive loss for the financial year	(3,339)	(9,724)
Balance at end of year	(10,865)	(7,526)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 May 2019

16. TRADE AND OTHER PAYABLES

Group	2019 £'000	2018 £'000
Trade payables	-	23
Amounts owed to related parties	17,994	959
Other taxation and social security	265	3
Other creditors and accruals	187	883
	18,446	1,868

Company	£'000	£'000
Trade payables	-	23
Amounts owed to related parties	17,978	959
Group relief payable	1,062	1,062
Other taxation and social security	26	3
Other creditors and accruals	183	33
	19,249	2,080

Amounts payable to Forward Sound Limited carry interest of 10% (2018 - 10%) per annum charged on the outstanding loan balances (see note 26). All other related party and group balances accrue no interest and are repayable on demand.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 £'000	2018 £'000
Group and Company		
Amounts owed to related parties	-	20,284

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 May 2019

18. DEFERRED TAX

The following are the deferred tax liabilities recognised by the group and the movements thereon during the current and prior reporting period.

Group	2019 £'000	2018 £'000
Deferred taxation		
Accelerated capital allowances	(577)	(580)

A deferred tax asset of £3,231,000 (2018 - £2,476,000) is not recognised as it is not considered to be recoverable. All deferred taxation has been fully provided and the liability has been included within non-current liabilities.

	£'000
At 1 June 2018	(580)
Credit to statement of comprehensive income	3
At 31 May 2019	(577)

19. PROVISIONS

Group and Company	2019 £'000	2018 £'000
Provisions in respect of surface mine restoration		
Carrying amount at the beginning of the year	13,044	20,727
Provisions made during the year	2,088	8,585
Utilised during year	(10,301)	(16,268)
Carrying amount at the end of the year	4,831	13,044
Amounts due in less than one year	3,300	9,631
Amounts due in more than one year	1,531	3,413
Carrying amount at the end of the year	4,831	13,044

The above provision represents the restoration liability of the company to restore the Tower Surface Mine site to required specifications when coaling operations cease.

20. OPERATING LEASES

At 31 May, the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £'000	2018 £'000
Land and buildings		
Within one year	131	131
In the second to fifth years inclusive	393	524
After five years	-	-
	524	655

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 May 2019

21. SHARE CAPITAL

	2019	2018
	£	£
Group and Company		
Authorised, issued and fully paid – 200 ordinary shares of £1 each	200	200

22. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' (DEFICIT)/FUNDS

	2019	2018
	£'000	£'000
Group		
Opening shareholders' funds	(8,066)	2,159
Loss and total comprehensive loss for the financial year	(3,956)	(10,225)
Closing shareholders' (deficit)/funds	(12,022)	(8,066)
	£'000	**£'000**
Company		
Opening shareholders' funds	(7,526)	2,198
Loss and total comprehensive loss for the financial year	(3,339)	(9,724)
Closing shareholders' (deficit)/funds	(10,865)	(7,526)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 May 2019

23. NOTES TO THE CASH FLOW STATEMENT

	2019 £'000	2018 £'000
Group		
Loss for the year	(3,956)	(10,225)
Adjustment for:		
Depreciation	345	1,579
Interest income	(25)	(20)
Finance costs	1,281	1,330
Income tax credit	-	(135)
(Profit) / Loss on disposal	254	(59)
Impairment of assets held for sale	245	-
Operating cash flows before movements in working capital	(1,856)	(7,530)
Decrease in receivables	8,286	13,468
Decrease in payables	(3,580)	(1,148)
Decrease in provisions	(8,213)	(7,683)
Cash generated by operations	(5,363)	(2,893)
Income tax (paid)/received	(126)	2,127
Interest paid	(1,281)	(1,330)
Net cash from operating activities	(6,770)	(2,096)

	£'000	£'000
Company		
Loss for the year	(3,339)	(9,724)
Adjustment for:		
Depreciation	-	-
Interest income	(25)	(20)
Finance costs	1,280	1,287
Income tax (credit)/paid	-	(15)
(Profit) / Loss on disposal	-	(59)
Operating cash flows before movements in working capital	(2,084)	(8,531)
Decrease in receivables	14,326	10,618
Decrease in payables	(11,201)	(5,759)
Cash generated by operations	1,041	(3,672)
Income tax received	(127)	2,015
Interest paid	(1,280)	(1,288)
Net cash from operating activities	(366)	(2,945)

25. FINANCIAL INSTRUMENTS

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument, are disclosed in note 1 to the financial statements. Categories of financial instruments comprise short-term receivables and payables, bank loans and obligations under finance leases. Neither the group nor the company uses derivative financial instruments. The main purpose of these financial instruments is to raise finance for the group's and the company's ongoing operations and manage the working capital requirements.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 May 2019

24. FINANCIAL INSTRUMENTS (continued)

Categories of financial instruments

Financial assets	**2019 £'000**	**2018 £'000**
Group		
Cash and cash balances	5,878	10,939
Loans and receivables (note 12)	61	3,299
	5,939	14,238
Company		
Cash and cash balances	5,436	10,844
Loans and receivables (note 12)	6,651	15,927
	12,087	26,771

Financial liabilities at amortised cost

Group		
Trade and other payables (note 16)	725	1,835
	725	1,835
Company		
Trade and other payables (note 16)	1,548	2,047
	1,548	2,047

Financial risks

The company's activities expose it to various financial risks - liquidity risk, credit risk, market risk, foreign currency risk and interest rate risk.

Liquidity risk

Liquidity risk is the risk that the group and company will not be able to access the necessary funds to finance their operations. They finance their operations through a mix of short and medium-term facilities. The group manages its liquidity risk by monitoring existing facilities and cash flows against forecast requirements based on rolling cash forecast. The table below analyses the group's and parent company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. With the exception of finance leases, all the amounts disclosed in the table are equal to their carrying balances as the impact of discounting is not significant. The amounts disclosed for finance leases are the contractual undiscounted cash flows including interest and hence will not agree to the amount disclosed on the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 May 2019

24. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

Group **At 31 May 2019**	**<1 year** **£'000**	**1-2 years** **£'000**
Amounts due to related parties (non-interest-bearing)	6,278	-
Amounts due to related parties (interest-bearing)	11,945	-
Total	18,223	-

At 31 May 2018	**<1 year** **£'000**	**1-2 years** **£'000**
Amounts due to related parties (non-interest-bearing)	959	5,573
Amounts due to related parties (interest-bearing)	-	14,711
Total	959	20,284

Company **At 31 May 2019**	**<1 year** **£'000**	**1-2 years** **£'000**
Amounts due to group (non-interest-bearing)	1,062	-
Amounts due to related parties (non-interest-bearing)	5,573	-
Amounts due to related parties (interest-bearing)	12,405	-
Total	19,040	-

At 31 May 2018	**< 1 year** **£'000**	**1-2 years** **£'000**
Amounts due to group (non-interest-bearing)	1,062	-
Amounts due to related parties (non-interest-bearing)	959	5,573
Amounts due to related parties (interest-bearing)	-	14,711
Total	2,021	20,284

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 May 2019

24. FINANCIAL INSTRUMENTS (continued)

Financial risks (continued)

Credit risk

The group and parent company are at the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the group's receivables from customers. The group's risk is influenced by the nature of its customers. New customers are analysed for creditworthiness before the group's standard payment terms and conditions are offered and appropriate credit limits set. The group does not have any financial assets that are past due or impaired.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the group's or company's income or the value of its holdings of financial instruments.

Foreign currency risk

The group and company operate within the UK in pound sterling and therefore are not exposed to foreign exchange risk arising from various currency exposures.

Interest rate risk

The group and company are exposed to interest rate risk as they borrow funds on three-month revolving credit with interest rates fixed at time of drawdown. The group and company have no loans or receivables which have floating interest rates.

At the statement of financial position date the interest rate profile of the group's interest-bearing financial instruments was:

Group	2019 £'000	2018 £'000
Fixed rate instruments		
Financial liabilities	11,945	14,711

Company	2018 £'000	2018 £'000
Fixed rate instruments		
Financial liabilities	11,945	14,711

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 May 2019

25. RELATED PARTY TRANSACTIONS

Balances and transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in the group disclosure below. The company is owned 50% by Forward Sound Limited, a 100% owned subsidiary of the Hargreaves Services Plc group; the remaining 50% is owned by Tower Colliery Limited, a 100% owned subsidiary of Goitre Tower Anthracite Limited. During the financial periods the company provided services to or was provided services by members of the group headed by Hargreaves Services Plc and Goitre Tower Anthracite Limited as follows:

Companies entered into the following transactions with related parties:

Group	2019 Purchases/ Interest charges from £'000	2019 Balance owed to £'000	2018 Purchases/ Interest charges from £'000	2018 Balance owed to £'000
Forward Sound Limited	(1,281)	(11,945)	(1,288)	(14,776)
Tower Colliery Limited*	-	(2,546)	-	(2,546)
Hargreaves Land Limited	(9,464)	(187)	(15,456)	(621)
Hargreaves (UK) Services Limited	-	(1,638)	-	(1,638)
Hargreaves (UK) Limited	-	(1,662)	-	(1,662)
C. A. Blackwell (Plant) Limited	(342)	(14)	947	(77)
	(11,087)	(17,994)	(15,797)	(21,243)

	2019 Sales to £'000	2019 Balance due from £'000	2018 Sales to £'000	2018 Balance due from £'000
Hargreaves Land Limited	687	-	2,570	230
Maxibrite	-	-	-	2,856
C. A. Blackwell (Plant) Limited	-	7	-	-
	687	7	2,570	3,086

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 May 2019

25. RELATED PARTY TRANSACTIONS (continued)

Company	2019 Purchases/ Interest charges from £'000	2019 Balance owed to £'000	2018 Purchases/ Interest charges from £'000	2018 Balance owed to £'000
Forward Sound Limited	(1,281)	(11,945)	(1,288)	(14,776)
Tower Colliery Limited*	-	(2,546)	-	(2,546)
Hargreaves Land Limited	(9,464)	(187)	(15,456)	(621)
Hargreaves (UK) Services Limited	-	(1,638)	-	(1,638)
Hargreaves (UK) Limited	-	(1,662)	-	(1,662)
	(10,745)	(17,978)	(16,744)	(21,243)

Company	2019 Sales to £'000	2019 Balance owed from £'000	2018 Sales to £'000	2018 Balance owed from £'000
Hargreaves (UK) Services Limited	-	-	-	-
Tower Regeneration Leasing Limited	-	6,591	-	15,714
C. A. Blackwell (Plant) Limited			-	-
Maxibrite	-	-	-	-
	-	6,591	-	15,714

*All of the related parties listed above with the exception of Tower Colliery Limited are members of the group headed by Hargreaves Services Plc. Tower Colliery Limited is a member of the Goitre Tower Anthracite Limited group.

The company has provided a loan to a 100% subsidiary, Tower Regeneration Leasing Limited. Amounts repayable from Tower Regeneration Leasing Limited are short-term and non-interest-bearing. The outstanding amount at 31 May 2019 is £11,945,000 (2018 - £15,714,000).

26. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company is owned 50% by Forward Sound Limited and 50% by Tower Colliery Limited, which were incorporated in Durham, the United Kingdom, and Mid-Glamorgan, the United Kingdom, respectively. Both companies are registered in England & Wales, United Kingdom. Therefore, there is no controlling party.