

Renaissance Land Regeneration Limited

Directors' Report and Financial Statements

Registered number 05019301

Year ended 31 May 2018

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Directors' Report

The directors present their directors' report and the financial statements for the year ended 31 May 2018.

Principal activities and business review

The principal activity of the company during the year was that of land management and development, and as the holding company of four subsidiary companies.

The results for the year are shown on page 5.

Dividends

The directors do not recommend the payment of a dividend for the current year (2017: *£nil*).

Directors

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

GW Pugh	
DP Vincent	(resigned 31 December 2017)
KJS Dougan	(resigned 1 December 2017)
R Brotherston	(resigned 10 January 2018)
GM Liggins	(appointed 19 January 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 all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's 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.

Pusuant 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



GM Liggins
Director

West Terrace
Esh Winning
Co Durham
DH7 9PT

22 November 2018

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

Independent Auditor's Report to the Members of Renaissance Land Regeneration Limited

Opinion

We have audited the financial statements of Renaissance Land Regeneration Limited ("the company") for the year ended 31 May 2018 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 2018 and of its loss 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.

Going concern

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

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.

Independent Auditor's Report to the Members of Renaissance Land Regeneration Limited (Continued)

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.

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

29 November 2018

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 May 2018

	<i>Note</i>	2018 £000	2017 £000
Turnover	2	-	32
Cost of sales		(3)	(19)
		<hr/>	<hr/>
Gross (loss)/profit		(3)	13
Administrative expenses	3	(10)	(123)
Other operating expenses	6	(25)	(2)
		<hr/>	<hr/>
Operating loss		(38)	(112)
Interest payable and similar expenses	7	-	(7)
		<hr/>	<hr/>
Loss before tax		(38)	(119)
Tax on loss	8	-	71
		<hr/>	<hr/>
Loss for the financial year		(38)	(48)
		<hr/>	<hr/>


All results are derived from continuing operations.

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

Balance Sheet
at 31 May 2018

	<i>Note</i>	2018 £000	£000	2017 £000	£000
Fixed assets					
Investment properties	9		78		625
Investments	10		1		1
			<hr/>		<hr/>
			79		626
Current assets					
Stocks	11	250		180	
Debtors	12	1,637		1,868	
Cash at bank and in hand		9		70	
		<hr/>		<hr/>	
Creditors: amounts falling due within one year	14	1,896 (9,664)		2,118 (10,395)	
		<hr/>		<hr/>	
Net current liabilities			(7,768)		(8,277)
			<hr/>		<hr/>
Total assets less current liabilities			(7,689)		(7,651)
			<hr/>		<hr/>
Net liabilities			(7,689)		(7,651)
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	17	150		150	
Profit and loss account		(7,839)		(7,801)	
		<hr/>		<hr/>	
Shareholders' deficit			(7,689)		(7,651)
			<hr/>		<hr/>

These financial statements were approved by the board of directors on 22 November 2018 and were signed on its behalf by:


GM Liggins
 Director

Registered number: 05019301

Statement of Changes in Equity

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 June 2016	150	(7,753)	(7,603)
Total comprehensive expense for the year	-	(48)	(48)
Loss	-	(48)	(48)
Total comprehensive expense for the year	-	(48)	(48)
Balance at 31 May 2017	150	(7,801)	(7,651)
Balance at 1 June 2017	150	(7,801)	(7,651)
Total comprehensive expense for the year	-	(38)	(38)
Loss	-	(38)	(38)
Total comprehensive expense for the year	-	(38)	(38)
Balance at 31 May 2018	150	(7,839)	(7,389)

Notes

(forming part of the financial statements)

1 Accounting policies

Renaissance Land Regeneration 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 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*.

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

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.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Measurement convention

The financial statements are prepared on the historical cost basis.

Notes (continued)

1 Accounting policies (continued)

Going concern

The company has net current liabilities of £7,768,000 (2017: £8,277,000), including £9,664,000 (2017: £10,376,000) owed 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. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to prepare the financial statements on a going concern basis. As with any company placing reliance on other group entities, there is no guarantee that the support will continue, although the directors have no reason to believe that it will do so.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

Leases in which the company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of a finance lease are stated at an amount equal to the lower of their fair value and the present value of minimum lease payments at the inception of the lease, less accumulated depreciation. Lease payments are accounted for as described below.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful economic lives as follows of each part of tangible fixed assets. Land and investment properties are not depreciated. The estimated useful lives are as follows:

Furniture and equipment	- 33% per annum
Motor vehicles and plant	- 20% per annum
Fixtures and fittings	- 33% per annum

Investment properties and depreciation

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

Investments

Investments in are stated at cost less any provision for impairment.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Classification of financial instruments issued by the Company

Following the adoption of IAS 32, 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.

Notes (continued)

1 Accounting policies (continued)

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.

Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss in respect of goodwill is reversed if and only if the reasons for the impairment have ceased to apply. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes (continued)

1 Accounting policies (continued)

Employee benefits – defined benefit pension scheme

The company operates a defined contribution group personal pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

Turnover

Turnover represents the amounts, net of value added tax, discounts and sales adjustments, derived from the provision of land management services delivered to third party customers. Turnover is recognised on delivery of these services as the company satisfies its performance obligations.

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 year comprises both current 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

There are no significant accounting estimates and judgements in the current year. See below for prior year accounting estimates and judgements.

Valuation of investment property (prior year only)

Investment property is held at cost less accumulated depreciation. An annual review will be performed by the directors to assess whether there have been any changes in management's plans for these properties and whether the depreciation policy is still appropriate and unimpaired.

Notes (continued)

2 Turnover

All turnover arises in the United Kingdom from the company's principal activity. Details of turnover by type are set out below:

	2018 £000	2017 £000
Land management	-	32

3 Expenses and auditor's remuneration

No auditor's remuneration has been charged to the profit and loss account as this is borne by the Company's parent undertaking.

Amounts receivable by the Company's auditor in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Hargreaves Services plc.

Other operating expense includes loss on disposal of investment property of £25,000 (2017: £2,000).

Notes (continued)

4 Staff numbers and costs

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

	Number of employees	
	2018	2017
Directors	3	5

The aggregate payroll costs of these persons were as follows:

	2018 £000	2017 £000
Wages and salaries	-	126
Social security costs	-	13
Employee pension scheme (note 15)	-	9
	-	148

Wages and salaries costs include administrative staff recharges from C.A. Blackwell (Contracts) Limited, Hargreaves (UK) Limited and Hargreaves Land Limited (previously Hargreaves Surface Mining Limited) for the year of £nil (2017: £148,000).

All Directors in the current year are employed by fellow group companies and it is not practicable to determine the proportion of these emoluments which are attributable to the services of the Company.

5 Remuneration of directors

	2018 £000	2017 £000
Directors' emoluments	-	79
Company contributions to money purchase pension schemes	-	6

During the year retirement benefits were accruing to nil directors (2017: 1) in respect of defined contribution pension schemes.

Notes *(continued)*

6 Other operating income

	2018 £000	2017 £000
Loss on disposal of investment property	25	2

7 Interest payable and similar expenses

	2018 £000	2017 £000
Bank interest payable	-	7

8 Taxation

Recognised in the profit and loss account

	2018 £000	2017 £000	2016 £000
<i>UK corporation tax</i>			
Group relief receivable	-	(22)	
Group relief adjustment in respect of prior years	-	(48)	
Total current tax	-		(70)
<i>Deferred tax</i>			
Origination and reversal of temporary differences	-	(1)	
	-		(1)
Tax on loss	-		(71)

Notes (continued)

8 Taxation (continued)

Reconciliation of effective tax rate

	2018 £000	2017 £000
Loss for the year	(38)	(48)
Total tax charge/(credit)	-	(71)
Loss excluding taxation	(38)	(119)
Tax using the UK corporation tax rate of 19% (2017: 19.83%)	(7)	(24)
Non-deductible expenses	-	1
Unrecognised tax losses	7	-
Over provided in prior years	-	(48)
Total tax charge/(credit)	-	(71)

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 2018 and 31 May 2017 have been calculated based on the rate of 17% substantively enacted at the Balance Sheet date.

9 Investment properties

	Investment properties £000	Shared equity properties £000	Total £000
<i>Cost and net book value</i>			
At 31 May 2017	500	125	625
Disposals	(500)	(47)	(547)
<i>Cost and net book value</i>			
At 31 May 2018	-	78	78

The company owns nil (2017: 2) investment properties.

The company holds interests in a further 3 (2017: 3) investment properties that were purchased as part of shared equity agreements. A 25% stake was purchased in each property. The equity stake will be recovered on the earlier of a sale of the property, expiry of a 10 year period starting from 2009 or by redemption, either in full or in part, by the homeowner.

Notes (continued)

10 Investments

	Shares in group undertakings £000
<i>Cost</i>	
At beginning and end of year	251
<i>Impairment</i>	
At beginning and end of year	250
<i>Net book value</i>	
At beginning and end of year	1

The investments of the company relate to the following:

Company name	Principal activity	Address of Registered Office	Class of shares held	Ownership	
				31 May 2018	31 May 2017
<i>Subsidiary undertakings</i>					
Renaissance Land (D20) Limited	Property holding	Esh Winning*	Ordinary	100%	100%
Renaissance Land Management Limited	Property holding	Esh Winning*	Ordinary	100%	100%
Renaissance Land (Padiham) Limited	Property holding	Esh Winning*	Ordinary	100%	100%
Norton Wind Energy Limited	Dormant	Esh Winning*	Ordinary	51%	51%

*The above companies have Registered offices at West Terrace, Esh Winning, Durham, DH7 9PT.

In the opinion of the directors the investments in subsidiary undertakings are worth at least the amounts stated in the balance sheet.

11 Stocks

	2018 £000	2017 £000
Work in progress	250	180

There were no write downs or reversal of write downs of stock in either the current or prior year.

Notes (continued)

12 Debtors

	2018 £000	2017 £000
Trade debtors	2	-
Amounts owed by group undertakings	1,634	1,764
Deferred tax (note 13)	1	1
Prepayments and accrued income	-	2
Other debtors	-	2
Other tax and social security	-	28
Group relief receivable	-	71
	<u>1,637</u>	<u>1,868</u>

13 Deferred taxation

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

	Assets		Liabilities	
	2018 £000	2017 £000	2018 £000	2017 £000
Tangible fixed assets	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>

Movement in deferred tax during the year:

	31 May 2017 £000	Recognised in income £000	Recognised in equity £000	31 May 2018 £000
Tangible fixed assets	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>

Movement in deferred tax during the prior year:

	31 May 2016 £000	Recognised in income £000	Recognised in equity £000	31 May 2017 £000
Tangible fixed assets	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>

Notes (continued)

14 Creditors: amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	-	5
Amounts owed to group undertakings	9,664	10,376
Other creditors	-	14
	<u>9,664</u>	<u>10,395</u>

15 Employee benefits

The company operates a group personal pension scheme. The pension cost charge for the year represents contributions payable by the company to the employees' funds and amounted to £nil (2017: £9,000).

There were no outstanding contributions at end of either the current or prior financial year.

16 Related party transactions

On 4 May 2017 CA Blackwell (Contracts) Limited, a 100% owned subsidiary of Hargreaves Services plc, acquired the remaining 5% of shares in the Company, making the Company a wholly owned subsidiary of CA Blackwell (Contracts) Limited from this point. However, the transactions below have been included here due to the ownership status at the transaction date.

The Hargreaves Services plc group has three joint venture undertakings; Tower Regeneration Limited, Tower Regeneration Leasing Limited, and MIR Trade Services Limited. This group also has interests in the following associates; Hargreaves Services Europe Limited, Hargreaves Raw Material Services GmbH and Hargreaves Carbon Products Polska Sp Z.o.o. The group had three subsidiaries not wholly owned; Rocfuel Limited, Rocpower Limited and Maxibrite Limited. In addition on 11 January 2016 the group acquired an interest in the following subsidiaries which are not wholly owned; Renaissance Land Regeneration Limited, Renaissance Land (D20) Limited, Renaissance Land Management Limited, Renaissance (Padiham) Limited and Norton Wind Energy Limited, these subsidiaries became wholly owned on 4th May 2017.

The only transactions with these undertakings and, those wholly owned subsidiaries that form the Hargreaves Services Plc group, were during the prior year and balances outstanding at the end of the prior year were as follows:

	2017	Balance outstanding debtor/ (creditor) £000
Purchases from £000	Sales to £000	
C.A Blackwell (Contracts) Limited	-	2 (10,309)
Hargreaves Land Limited	-	- (67)
Renaissance Land (D20) Limited	-	- 988
Renaissance Land Management Limited	-	- 9
Renaissance (Padiham) Limited	-	20 767
	<u></u>	<u></u>

Notes (continued)

16 Related party transactions (continued)

	2018		Balance outstanding debtor/ (creditor) £000
	Purchases from £000	Sales to £000	
C.A Blackwell (Contracts) Limited	-	-	(9,633)
Hargreaves Industrial Services Limited	-	-	71
Hargreaves Land Limited	-	-	(31)
Renaissance Land (D20) Limited	-	-	787
Renaissance Land Management Limited	-	-	9
Renaissance (Padiham) Limited	-	-	767
	<hr/>	<hr/>	<hr/>

The balance with Renaissance Land (D20) Limited is shown net of a provision of £3,857,000 (2017: £3,857,000)

The balance with Renaissance (Padiham) Limited is shown net of a provision of £2,582,000 (2017: £2,582,000).

The balance with Renaissance Land Management Limited is shown net of a provision of £23,000 (2017: £23,000)

In addition to the amounts shown above the Company is owed £64,000 (2017: £64,000) by Norton Wind Energy Limited. This balance is provided for in full in both the current and prior year.

17 Capital and reserves

	2018 £000	2017 £000
<i>Allotted, called up and fully paid</i>		
150,000 ordinary shares of £1 each	150	150
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18 Ultimate parent company and parent undertaking of larger group of which the company is a member

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 C.A. Blackwell (Contracts) 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.