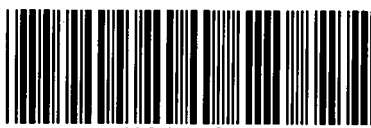


Company Registration No. 06330412 (England and Wales)

MILLER ARGENT HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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MILLER ARGENT HOLDINGS LIMITED

COMPANY INFORMATION

Director	J H Lewis	(Appointed 7 January 2016)
Company number	06330412	
Registered office	Cwmbargoed Disposal Point Fochriw Road Cwmbargoed Merthyr Tydfil CF48 4AE	
Auditor	UHY Hacker Young Lanyon House Mission Court Newport South Wales United Kingdom NP20 2DW	

MILLER ARGENT HOLDINGS LIMITED

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MILLER ARGENT HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The director presents the strategic report for the year ended 31 December 2015.

Fair review of the business

The results are presented on page 7. The group has performed satisfactorily in difficult conditions with coal dispatches from Ffos-y-fran Land Reclamation Scheme of 867,000 Tonnes (2014: 953,000 tonnes). Turnover fell by 5.52% due to the difficult market conditions. GP% which is one of the group's key areas of operating effectiveness was 19.5% for the year ended 31 December 2015 compared to 19.7% for the year ended 31 December 2014. However, the 2015 results include the impact of a fair value liability of £1.86m which the group has recognised in accordance with the requirements of FRS 102 based on fuel hedges undertaken during 2015 for the period 2016-2018.

As discussed below, during the year management re-assessed the cost of restoration and as a result reduced the provision and associated asset by £10.2m, the impact of this on the group's results was to reduce the amortisation charge for the restoration assets for the current and future years. The current year charge was £2.0m compared to £3.8m in the prior year. Excluding these factors GP% improved by 0.4%.

Overall profit before tax was £6.5m (2014: £6.0m) and retained earnings was £6.3m (2014: £3.3m). The balance sheet on page 9 shows that the company's net assets increased to £21.5m from £17.4m on 31 December 2014.

Principal risks and uncertainties

The group's principal activity is the reclamation of direct land to the east of Merthyr Tydfil, South Wales, through the operation of a surface coal mine.

The principal risks and uncertainties faced by the company are documented below:

Market

Demand for coal in 2015 from the UK power generation market was much reduced following the UK unilateral imposition of high carbon Tax's at rates in excess of 5 times more than is paid in Europe. International coal prices also reduced by C.18% in the year, driven down by excess global supply mainly due to the impact of cheap oil and cheap shale gas in the US. The medium term prospects for coal prices are expected to continue to be challenging until the global economy recovers and the supply demand imbalance is corrected. We remain of the view, however, that coal has an important role to play going forward in ensuring continuity of base load supply at affordable prices.

Our other major markets are the Tata Port Talbot Steel Works, and the Cement Industry. The Steel industry is also experiencing difficult market circumstance due in part to these same high levels of UK Carbon taxes resulting in uncompetitive electricity power costs.

Operations

The 1,000 acre Ffos-y-fran scheme is reclaiming derelict and unstable land, whilst at the same time recovering over 11m tonnes of coal reserves using surface mining techniques. Amongst the major benefits provided by the scheme will be reclamation of over 1000 acres of unstable and derelict land at no cost to the public purse, the removal and treatment of three potentially hazardous waste tips, has already been completed which has relieved the local community Merthyr Tydfil of a major liability. The scheme provides employment for over 200 people, the majority of whom reside locally. The company continues to work closely with the local council to maximise the economic and amenity benefits for the wider area - over £6.0m has been contributed by the company to a Community Fund since the project commenced coaling in 2007. To date, we have recovered over 6.4m tonnes of coal which represents around 55% of anticipated coal to be realised from the scheme.

Safety on site is paramount importance. Our safety record is good and compares favourably with the sector. This is key priority and we devote considerable resource to improved safety measure thus ensuring a safe working environment for all our employees.

MILLER ARGENT HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

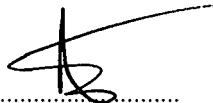
Development and performance

The principal risk is sales and finding suitable markets for our coal in the future. RWE npower's power station at Aberthaw and Tata's Port Talbot steelworks are our key customers, the future may see less reliance on these two customers and we are exploring other markets. Our mine plan is fully costed and regularly reviewed and includes appropriate allowances for contingencies such as adverse weather. The most significant variable cost is fuel and we hedge the majority of our medium-term fuel requirements. Full account has been taken for funding the restoration obligation in the future costs and cash flows.

Change of ownership

The sale of the company concluded on the 7th January 2016.

On behalf of the board



J H Lewis

Director

10/03/2017

MILLER ARGENT HOLDINGS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The director presents his annual report and financial statements for the year ended 31 December 2015.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

J T Poyner	(Resigned 7 January 2016)
A J S Prower	(Resigned 7 January 2016)
S Tillman	(Resigned 7 January 2016)
D W Borland	(Resigned 7 January 2016)
G J Taylor	(Resigned 7 January 2016)
N A Brown	(Resigned 27 July 2015)
S J Duffield	(Resigned 7 January 2016)
K M Miller	(Resigned 31 March 2015)
P F Hazell	(Resigned 7 January 2016)
M N Carruthers	(Appointed 31 March 2015 and resigned 7 January 2016)
A J Lewis	(Appointed 7 January 2016 and resigned 26 May 2016)
J H Lewis	(Appointed 7 January 2016)

Results and dividends

The results for the year are set out on page 7.

As noted in the Strategic Report the completion of the sale of the company took place on 7 January 2016; as documented in the share purchase agreement, ordinary dividends of £2,237,694 were paid to Miller Mining (UK) Limited and Argent Estates Limited during 2015.

Auditor

UHY Hacker Young were appointed by the directors to the company and have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Statement of director's responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MILLER ARGENT HOLDINGS LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company and group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company and group is aware of that information.

On behalf of the board



J H Lewis

Director

10/03/2017

MILLER ARGENT HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MILLER ARGENT HOLDINGS LIMITED

We have audited the financial statements of Miller Argent Holdings Limited for the year ended 31 December 2015 which comprise the Group Profit And Loss Account, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of director and auditor

As explained more fully in the Director's Responsibilities Statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MILLER ARGENT HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MILLER ARGENT HOLDINGS LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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.

UHY Hacker Young

Mr Paul Byett (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

10/03/2017

Chartered Accountants
Statutory Auditor

MILLER ARGENT HOLDINGS LIMITED

**GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	2015 £	2014 £
Turnover	3	51,842,964	54,889,217
Cost of sales (including costs of £1.8m (notes 4 and 5))		(41,745,975)	(44,086,761)
Gross profit		10,096,989	10,802,456
Administrative expenses		(1,422,574)	(1,572,145)
Operating profit	4	8,674,415	9,230,311
Interest receivable and similar income	9	15,811	16,616
Interest payable and similar charges	10	(2,205,190)	(3,255,356)
Profit before taxation		6,485,036	5,991,571
Taxation	11	(204,395)	(2,695,963)
Profit for the financial year		6,280,641	3,295,608

Profit for the financial year is all attributable to the owners of the parent company.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

MILLER ARGENT HOLDINGS LIMITED

**GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015 £	2014 £
Profit for the year	6,280,641	3,295,608
Other comprehensive income	-	-
Total comprehensive income for the year	<u>6,280,641</u>	<u>3,295,608</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.


MILLER ARGENT HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Intangible assets	13	5,326,272		6,321,005	
Tangible assets	14	63,005,102		74,898,255	
		<u>68,331,374</u>		<u>81,219,260</u>	
Current assets					
Stocks	18	1,602,780		1,011,825	
Debtors	19	10,942,065		7,218,066	
Cash at bank and in hand		4,205,610		3,429,489	
		<u>16,750,455</u>		<u>11,659,380</u>	
Creditors: amounts falling due within one year	20	<u>(9,250,570)</u>		<u>(8,319,298)</u>	
Net current assets		<u>7,499,885</u>		<u>3,340,082</u>	
Total assets less current liabilities		<u>75,831,259</u>		<u>84,559,342</u>	
Creditors: amounts falling due after more than one year	21	(900,000)		(5,160,323)	
Provisions for liabilities	23	(53,463,293)		(61,974,000)	
Net assets		<u>21,467,966</u>		<u>17,425,019</u>	
Capital and reserves					
Called up share capital	26	104,000		100	
Profit and loss reserves		21,363,966		17,424,919	
Total equity		<u>21,467,966</u>		<u>17,425,019</u>	

The financial statements were approved by the board of directors and authorised for issue on 10/03/2017 and are signed on its behalf by:



J H Lewis
Director

MILLER ARGENT HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Investments	15		1,960		1,960
Current assets					
Debtors	19	3,262,145		3,262,145	
Creditors: amounts falling due within one year	20	(174,225)		(174,225)	
Net current assets			3,087,920		3,087,920
Total assets less current liabilities			<u>3,089,880</u>		<u>3,089,880</u>
Capital and reserves					
Called up share capital	26		104,000		100
Profit and loss reserves			<u>2,985,880</u>		<u>3,089,780</u>
Total equity			<u>3,089,880</u>		<u>3,089,880</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £2,237,694 (2014 - £0 profit).

The financial statements were approved by the board of directors and authorised for issue on 10/03/2017 and are signed on its behalf by:


 J H Lewis
 Director

Company Registration No. 6330412

MILLER ARGENT HOLDINGS LIMITED

**GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2014		100	14,129,311	14,129,411
Year ended 31 December 2014:				
Profit and total comprehensive income for the year		-	3,295,608	3,295,608
Balance at 31 December 2014		100	17,424,919	17,425,019
Year ended 31 December 2015:				
Profit and total comprehensive income for the year		-	6,280,641	6,280,641
Dividends	12	-	(2,237,694)	(2,237,694)
Bonus issues of shares (note 26)		103,900	(103,900)	-
Balance at 31 December 2015		104,000	21,363,966	21,467,966

MILLER ARGENT HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2014		100	3,089,780	3,089,880
Year ended 31 December 2014:				
Profit and total comprehensive income for the year		-	-	-
Balance at 31 December 2014		100	3,089,780	3,089,880
Year ended 31 December 2015:				
Profit and total comprehensive income for the year		-	2,237,694	2,237,694
Dividends	12	-	(2,237,694)	(2,237,694)
Bonus issues of shares (note 26)		103,900	(103,900)	-
Balance at 31 December 2015		104,000	2,985,880	3,089,880

MILLER ARGENT HOLDINGS LIMITED

**GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	2015 £	£	2014 £	£
Cash flows from operating activities					
Cash generated from operations	30	15,724,156		21,825,239	
Interest paid		(405,190)		(1,507,784)	
Net cash inflow from operating activities		15,318,966		20,317,455	
Investing activities					
Purchase of tangible fixed assets		(8,213,841)		(3,914,567)	
Proceeds on disposal of tangible fixed assets		153,202		41,739	
Interest received		15,811		16,617	
Net cash used in investing activities		(8,044,828)		(3,856,211)	
Financing activities					
Repayment of borrowings		(4,260,323)		(17,024,387)	
Dividends paid		(2,237,694)		-	
Net cash used in financing activities		(6,498,017)		(17,024,387)	
Net increase/(decrease) in cash and cash equivalents		776,121		(563,143)	
Cash and cash equivalents at beginning of year		3,429,489		3,992,632	
Cash and cash equivalents at end of year		4,205,610		3,429,489	

MILLER ARGENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

Miller Argent Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is .

The group consists of Miller Argent Holdings Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These group and company financial statements for the year ended 31 December 2015 are the first financial statements of Miller Argent Holdings Limited and the group prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements for the preceding period were prepared in accordance with previous UK GAAP. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Miller Argent Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2015. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

MILLER ARGENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.4 Turnover

Turnover relates to amounts derived from coal sales. Turnover is recognised at the fair value of the consideration received or receivable, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 Intangible fixed assets other than goodwill

Intangible fixed assets represent mining rights and are amortised on a coal extraction basis.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Coal extraction basis
Plant and equipment	3-15 years
Deferred stripping costs	Not depreciated
Mining projects	Coal extraction basis
Restoration asset	Coal extraction basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

Deferred stripping costs

Stripping costs incurred during the production stage of operations are deferred and included within fixed assets. The amount of stripping cost deferred is based on the ratio of overburden removed to coal extraction. Stripping costs incurred in the period are deferred to the extent the current period ratio exceeds the life of mine ratio. Such deferred costs are charged against profits to the extent that, in subsequent periods, the ratio is below the life of mine ratio.

Mining projects

Mining projects include the costs of site establishment and costs incurred prior to commencement of operations and costs transferred from intangible fixed assets.

Restoration and closure costs

The total costs of reinstatement of soil excavation and of surface restoration are recognised as a provision at site commissioning when the obligation arises. The amount provided represents the present value of the expected costs. Costs are charged to the provision as incurred and the unwinding of the discount is included in the interest charge for the year. An asset is created for an amount equivalent to the initial provision. This is charged to the profit and loss account on a coal extraction basis over the life of the site.

MILLER ARGENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

MILLER ARGENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

MILLER ARGENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.13 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

MILLER ARGENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

MILLER ARGENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Restoration provisions

The restoration provision is based on managements best estimate of the cash flow expected in order to restore the mine in accordance with the planning consent. Changes to any of the factors included in the estimate can have a significant impact on the overall expected cost; in particular the overall cost is significantly impacted by the cost of fuel. As discussed further in notes 5 and 23 the provision was re-assessed during the year and as a consequence the estimate was reduced by approximately £10.2m. This is regarded as an exceptional item, refer to note 5.

Restoration asset

A restoration asset was created for an amount equivalent to the initial provision. The asset is amortised on a unit of production basis. The carrying value of the restoration asset is therefore susceptible to the same uncertainties as the provision. The amortisation charge is affected by estimates of remaining reserves.

Other assets amortised on the unit of production basis

Mining rights (Intangible) and Mining Projects (Tangible) are also amortised on a unit of production basis, therefore the amortisation of these assets is also affected by the estimate of future recoverable reserves.

Deferred stripping

As disclosed in section 1 above costs are deferred to the extent that the current ratio of overburden to coal exceeds the ratio expected in the company's life of mine (LOM) projections and costs are released when the current ratio is below the LOM rate. These ratios are derived from extensive geographical survey and bore-hole testing, however the asset can clearly be significantly affected by managements judgement and estimate of future coal recovery and much shift.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2015 £	2014 £
Turnover	51,842,964	54,889,217
	<u> </u>	<u> </u>
Other significant revenue		
Interest income	15,811	16,616
	<u> </u>	<u> </u>

All turnover relates to the UK by origin and destinations: All turnover relates to the sale of coal.

MILLER ARGENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

4 Operating profit

	2015	2014
	£	£
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	8,388,562	9,091,739
Profit on disposal of tangible fixed assets	(108,432)	(27,197)
Amortisation of intangible assets	994,733	1,062,828
Cost of stocks recognised as an expense	23,811,988	27,523,058
Exceptional items (note 4)	1,862,092	-
	<u>8,388,562</u>	<u>9,091,739</u>

5 Exceptional costs/(income)

Derivative liability expense

During the year the company entered a number of fuel forward contracts covering 2016 to 2018. At 31 December 2015 the fair value of the contracts was calculated by an independent third party as £1.862m. This cost has been recognised in cost of sales in the year to 31 December 2015 in accordance with Section 12 of FRS 102 "Other Financial Instruments".

Restoration provision/asset

A discussed in note 23 during the year the directors reassessed the restoration provision and as a result reduced it by £10.2m to an overall new provision value of £51.5m; this followed an internal re-evaluation as well as a review by independent consultants. The credit entry was charged to the associated asset, refer to note 14; had this adjustment not been made the restoration asset amortisation for the year would have been approximately £1m higher. In the prior year the provision was reduced by £6.7m, this was also credited to the fixed asset so the only impact on the profit and loss account was to reduce the amortisation charge.

6 Auditor's remuneration

	2015	2014
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	2,500	1,000
Audit of the company's subsidiaries	25,000	10,000
	<u>27,500</u>	<u>11,000</u>
For other services		
Taxation compliance services	5,000	2,000
	<u>5,000</u>	<u>2,000</u>

MILLER ARGENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

7 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2015 Number	2014 Number	Company 2015 Number	2014 Number
Management and administration	123	121	-	-
	30	31	-	-
	<u>153</u>	<u>152</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2015 £	2014 £	Company 2015 £	2014 £
Wages and salaries	6,316,320	6,019,531	-	-
Social security costs	685,339	643,570	-	-
Pension costs	188,570	180,657	-	-
	<u>7,190,229</u>	<u>6,843,758</u>	<u>-</u>	<u>-</u>

8 Director's remuneration

	2015 £	2014 £
Remuneration for qualifying services	417,720	367,314
Company pension contributions to defined contribution schemes	34,701	33,247
	<u>452,421</u>	<u>400,561</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>286,020</u>	<u>239,732</u>
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9 Interest receivable and similar income

	2015 £	2014 £
Interest income		
Interest on bank deposits	<u>15,811</u>	<u>16,616</u>

MILLER ARGENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

9	Interest receivable and similar income	(Continued)	
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	15,811	16,616
		<u> </u>	<u> </u>
10	Interest payable and similar charges		
		2015	2014
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	405,190	1,507,784
	Other finance costs:		
	Unwinding of discount on provision (note 23)	1,800,000	1,747,572
		<u> </u>	<u> </u>
	Total finance costs	2,205,190	3,255,356
		<u> </u>	<u> </u>
11	Taxation		
		2015	2014
		£	£
	Current tax		
	UK corporation tax on profits for the current period	1,766,403	1,471,963
	Adjustments in respect of prior periods	(1,471,963)	(750,000)
		<u> </u>	<u> </u>
	Total current tax	294,440	721,963
		<u> </u>	<u> </u>
	Deferred tax		
	Origination and reversal of timing differences	1,883,955	1,974,000
	Adjustment in respect of prior periods	(1,974,000)	-
		<u> </u>	<u> </u>
	Total deferred tax	(90,045)	1,974,000
		<u> </u>	<u> </u>
	Total tax charge	204,395	2,695,963
		<u> </u>	<u> </u>

MILLER ARGENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

11 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2015 £	2014 £
Profit before taxation	6,485,036	5,991,571
Expected tax charge based on the standard rate of corporation tax in the UK of 20.25% (2014: 21.50%)	1,313,220	1,288,188
Adjustments in respect of prior years	(1,562,307)	1,224,000
Other non-reversing timing differences	250,737	(71,065)
Other permanent differences	202,745	254,840
Tax expense for the year	204,395	2,695,963

12 Dividends

	2015 £	2014 £
Final paid	2,237,694	-

13 Intangible fixed assets

Group	Development costs £
Cost	
At 1 January 2015 and 31 December 2015	12,278,256
Amortisation and impairment	
At 1 January 2015	5,957,251
Amortisation charged for the year	994,733
At 31 December 2015	6,951,984
Carrying amount	
At 31 December 2015	5,326,272
At 31 December 2014	6,321,005

The company had no intangible fixed assets at 31 December 2015 or 31 December 2014.

MILLER ARGENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

14 Tangible fixed assets

Group	Land and buildings	Plant and equipment	Deferred stripping costs	Mining projects	Restoration asset	Total
	£	£	£	£	£	£
Cost						
At 1 January 2015	9,299,255	33,097,360	16,495,133	29,651,600	47,798,974	136,342,322
Additions	1,159	7,983,013	-	229,669	-	8,213,841
Deferral reversal	-	-	(1,453,000)	-	-	(1,453,000)
Disposals	-	(593,346)	-	-	-	(593,346)
Adjustment as a result of asset re-measurement (note 4)	-	-	-	-	(10,220,662)	(10,220,662)
At 31 December 2015	9,300,414	40,487,027	15,042,133	29,881,269	37,578,312	132,289,155
Depreciation and impairment						
At 1 January 2015	4,322,561	15,059,196	-	16,539,758	25,522,554	61,444,069
Depreciation charged in the year	722,429	3,359,801	-	2,293,167	2,013,165	8,388,562
Eliminated in respect of disposals	-	(548,578)	-	-	-	(548,578)
At 31 December 2015	5,044,990	17,870,419	-	18,832,925	27,535,719	69,284,053
Carrying amount						
At 31 December 2015	4,255,424	22,616,608	15,042,133	11,048,344	10,042,593	63,005,102
At 31 December 2014	4,976,694	18,038,164	16,495,133	13,111,842	22,276,422	74,898,255

The company had no tangible fixed assets at 31 December 2015 or 31 December 2014.

MILLER ARGENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

15 Fixed asset investments

	Notes	Group 2015 £	2014 £	Company 2015 £	2014 £
Investments in subsidiaries	16	-	-	1,960	1,960

Movements in fixed asset investments
Company

**Shares in group
undertakings**

Cost or valuation

At 1 January 2015 and 31 December 2015

1,960

Carrying amount

At 31 December 2015

1,960

At 31 December 2014

1,960

16 Subsidiaries

The only subsidiary undertaking that is significant to the group and traded during the year is Miller Argent (South Wales) Limited. It is wholly owned and registered in the UK.

17 Financial instruments

	Group 2015 £	2014 £	Company 2015 £	2014 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	9,312,297	4,758,109	3,262,145	3,262,145
Carrying amount of financial liabilities				
Measured at fair value through profit or loss				
- Other financial liabilities	1,862,092	-	-	-
Measured at amortised cost	5,859,450	11,467,720	174,225	174,225

18 Stocks

	Group 2015 £	2014 £	Company 2015 £	2014 £
Raw materials and consumables	1,501,672	897,871	-	-
Finished goods and goods for resale	101,108	113,954	-	-
	1,602,780	1,011,825	-	-

MILLER ARGENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

19 Debtors

	Group 2015 £	2014 £	Company 2015 £	2014 £
Amounts falling due within one year:				
Trade debtors	9,294,252	4,740,026	-	-
Amounts due from fellow group undertakings	-	-	3,262,145	3,262,145
Other debtors	18,045	18,083	-	-
Prepayments and accrued income	1,629,768	2,459,957	-	-
	<u>10,942,065</u>	<u>7,218,066</u>	<u>3,262,145</u>	<u>3,262,145</u>

20 Creditors: amounts falling due within one year

	Group 2015 £	2014 £	Company 2015 £	2014 £
Trade creditors	1,300,935	1,022,513	-	-
Amounts due to group undertakings	-	-	174,225	174,225
Corporation tax payable	1,766,403	1,471,963	-	-
Other taxation and social security	662,625	539,938	-	-
Derivative financial instruments	1,862,092	-	-	-
Accruals and deferred income	3,658,515	5,284,884	-	-
	<u>9,250,570</u>	<u>8,319,298</u>	<u>174,225</u>	<u>174,225</u>

21 Creditors: amounts falling due after more than one year

		Group 2015 £	2014 £	Company 2015 £	2014 £
	Notes				
Other borrowings	22	<u>900,000</u>	<u>5,160,323</u>	<u>-</u>	<u>-</u>

22 Loans and overdrafts

	Group 2015 £	2014 £	Company 2015 £	2014 £
Shareholder loans	<u>900,000</u>	<u>5,160,323</u>	<u>-</u>	<u>-</u>
Payable after one year	<u>900,000</u>	<u>5,160,323</u>	<u>-</u>	<u>-</u>

MILLER ARGENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

22 Loans and overdrafts

(Continued)

Shareholder loans are unsecured and bear interest at 8% per annum. The shareholder loans were due to Miller Mining Limited and Argent Estates Limited in equal proportion. Miller Mining Limited and Argent Estates Limited had the right to demand repayment in part or full at anytime upon not less than 366 days notice. The company can voluntarily repay whole or parts if the loans without notice. £4,260,323 of the loans were repaid during the year. The remaining £900,000 was repaid in January 2016 on completion of the sale of the company's parent to Gwent Investments Limited.

23 Provisions for liabilities

	Notes	Group 2015 £	2014 £	Company 2015 £	2014 £
Deferred tax liabilities	24	51,579,338 1,883,955	60,000,000 1,974,000	- -	- -
		<u>53,463,293</u>	<u>61,974,000</u>	<u>-</u>	<u>-</u>

Movements on provisions apart from deferred tax liabilities:

Group	£
At 1 January 2015	60,000,000
Reversal of provision	(10,220,662)
Unwinding of discount	1,800,000
At 31 December 2015	<u>51,579,338</u>

The provision relates to the costs of returning land disturbed during mining activities including aftercare costs. Restorations will commence while mining operations are ongoing and the provision is expected to be largely utilised over the next 10 years. During the year the fundamental assumptions of the buildup of the restoration provision were reviewed. This resulted in a reduction of the provision of £10.2m, refer to note 4 and 13.

24 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2015 £	Liabilities 2014 £
Group		
Accelerated capital allowances	2,015,509	2,051,600
Other timing differences	(131,554)	(77,600)
	<u>1,883,955</u>	<u>1,974,000</u>

The company has no deferred tax assets or liabilities.

MILLER ARGENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

24 Deferred taxation

(Continued)

	Group 2015 £	Company 2015 £
Movements in the year:		
Liability at 1 January 2015	1,974,000	-
Charge to profit or loss	(90,045)	-
	<u>1,883,955</u>	<u>-</u>
Liability at 31 December 2015	<u>1,883,955</u>	<u>-</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

25 Retirement benefit schemes

	2015 £	2014 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	188,570	180,657
	<u>188,570</u>	<u>180,657</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

26 Share capital

	Group and company 2015 £	2014 £
Ordinary share capital		
Issued and fully paid		
100 ordinary shares of £1 each	-	100
5,200,000 ordinary A shares of 1p each	52,000	-
5,200,000 ordinary B shares of 1p each	52,000	-
	<u>104,000</u>	<u>100</u>

On 28 July 2015 the £1 ordinary shares were sub-divided into 10,000 £0.01 ordinary shares; on the same date as part of entering into a new shareholder agreement a bonus issues of 10,390,000 new £0.01 ordinary shares was made to increase the share capital to £104,000. The cost of the bonus issue was charged to the profit and loss reserve. The £0.01 ordinary shares were re-designated as £0.01 ordinary A and £0.01 ordinary B shares.

MILLER ARGENT HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015****27 Operating lease commitments**

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

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Within one year	1,329	-	-	-
Between two and five years	646,165	934,916	-	-
	<u>647,494</u>	<u>934,916</u>	<u>-</u>	<u>-</u>

28 Events after the reporting date

On 7th January 2016, the entire share capital of Miller Argent Holdings Limited was sold by Miller Mining and Argent Estates Limited to Gwent Investments Limited.

29 Related party transactions**Transactions with related parties**

At 31 December 2015 the company is jointly controlled by Miller Mining Limited and Argent Estates Limited. During the year to 31 December 2015, Miller Mining Limited invoiced directly attributable costs of £9,755 (2014: £270,758). The Miller Group Limited recharged directly attributable costs of £137,667 (2014: £709,422). Argent Estates Limited invoiced management fees and directly attributable costs of £39,716 (2014: £250,353). Shareholder loans owed to Miller Mining Limited and Argent Estates Limited of £0.9m (2014: £5.2m) were outstanding at year end and is included within creditors due after more than one year.

MILLER ARGENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

30 Cash generated from group operations

	2015	2014
	£	£
Profit for the year after tax	6,280,641	3,295,608
Adjustments for:		
Taxation charged	204,395	2,695,963
Finance costs	2,205,190	3,238,740
Investment income	(15,811)	-
Gain on disposal of tangible fixed assets	(108,432)	(27,197)
Amortisation and impairment of intangible assets	994,733	1,062,828
Depreciation and impairment of tangible fixed assets	8,388,562	9,091,739
Deferred stripping provision	1,453,000	2,629,000
Movements in working capital:		
(Increase) in stocks	(590,955)	(73,807)
(Increase)/decrease in debtors	(3,835,914)	58,233
Increase/(decrease) in creditors	748,747	(145,868)
Cash generated from operations	15,724,156	21,825,239