Company registration number 10119615 (England and Wales)

GWENT HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

GWENT HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mrs J H Lewis Mr A J Lewis
Company number	10119615
Registered office	Bradbury House Mission Court Newport Gwent NP20 2DW
Auditor	UHY Hacker Young Bradbury House Mission Court Newport Gwent United Kingdom NP20 2DW

GWENT HOLDINGS LIMITED

CONTENTS

The directors present the strategic report for the year ended 31 December 2021.

Promoting the success of the company
This report sets out how the directors comply with the requirements of section 172 Companies Act 2006 and how these requirements have impacted on the decision making of the Gwent Holdings Limited directors.

Our directors have always acted in good faith in ways which promote the success of the company and the group with regard to its members and stakeholders whilst maintaining the highest level of business conduct.

The group's coal operations are governed by external planning consents, coal licences and coal resources and the group plans to operate safely and responsibly within these constraints.

On completion of coaling the site will be restored in accordance with the agreed terms of the reclamation project.

The group's healthcare activities are regulated by the Healthcare Inspectorate of Wales who carry out regular inspections and audits of the hospital and its services.

The likely consequences of any decision in the long term
The directors constantly review the capital expenditure requirements across the group and are committed to ensuring that all operations have the investment required.

Funding is provided via the holding company where appropriate.

The interest of the employees
The directors recognise the importance of all Employees and their roles in the group.

Health and safety is an absolute priority in both the mining and healthcare activities and additional measures were introduced immediately during Covid 19 to minimise any risk to the workforce.

The group engages regularly with the workforce through toolbox talks and other forms of communication.

The need to foster the group's business relationships with suppliers, customers and others
The directors understand the importance of our suppliers to achieve the long-term plans of the business. Supplier relationships are key to the business and regular meetings and performance reviews are carried out to ensure the quality of supplies and services are maintained.

All customers are regularly contacted to support our relationship and to ensure quality standards and delivery terms are achieved.

Other stakeholders include governing bodies, local authorities, finance partners, regulatory bodies and residents.

The impact of the group's operations on the community and environment
The directors are particularly aware of the impact of the restoration project on the local community and operates in ways which minimises the impact on the environment, wildlife and residents in the local community. Funding and sponsorship are provided for many local events.

Desirability of the group maintaining a reputation for high standards of business conduct
The directors ensure the reputation of the group is maintained in all business transactions.

There is a commitment to ensure the workforce fully reflects society and is included as a key element to deliver the corporate plan.

The need to act fairly between members of the company
The group is family owned and regularly engages with the directors of the company.

Fair review of the business

The results of these financial statements includes the consolidated position of the group. The most significant trading activity of the group in the year continued to be represented by the coal mining operations of Merthyr (South Wales) Limited and healthcare operations of St Joseph's Independent Hospital Limited, however, the company's income from property rentals and plant hire now also contributes significantly to group results.

The results are presented on page 12.

Group revenue increased by £16.0m (30.2%) from £52.9m to £68.9m; coal sales rose by £2.7m (6.5%) from £40.2m to £42.9m. The hospital contributed approximately £26.0m (2020: £12.7m) to group revenue in the year to 31 December 2021.

Group profitability improved significantly due to improved results by St Joseph's Independent Hospital Limited, as well as from the contribution of the company's rental income, and a smaller impact of increased anticipated restoration costs in the group's coal operations compared to the prior year (see below); resulting in a profit before tax for the year of £11.4m (2020: loss £10.7m).

Group net assets at 31 December 2021 were £42.1m (2020: £32.8m).

Performance review - Coal operations

The directors are satisfied with the group's coal operational performance during the year in difficult circumstances. The overall result was impacted by further significant increases in provisions due to increases in fuel costs. The total tonnage of coal sales in the year was 546,310 (2020: 575,551); a 5.1% decrease. The average coal price achieved increased by 11.5% to £77.82 per tonne.

GP% which is one of the group's key areas of operating effectiveness was -3.2% for the year ended 31 December 2021 compared to -17.7% for the year ended 31 December 2020.

The gross profit includes £5.8m (2020: £13.8m) of exceptional costs related to provision adjustments (see note 8); adjusting for these items the GP% was 10.2% compared to 16.6% in 2020. The site continued to operate a single shaft operation through 2021, directly impacting the amount of coal extracted from the mine. This was necessary to ensure the ongoing safety of the workforce as local outbreaks of covid continued; this inevitably impacted on the margin.

Performance review - Healthcare
The companies KPIs for the second year of trading were:

	2021	2020
Outpatients	35,583	20,069
Admissions	7,184	3,069
Patient Day Equivalents	8,556	3,779
Imaging	13,369	9,122
Physiotherapy	11,410	3,930

The directors were very satisfied with the KPI's achieved especially given the challenges faced during the second year of a pandemic.

Revenue grew by 105% to £26.0m GP% was 38.8% compared to 58.0% .

The hospital's purpose is to make a positive difference to our patient's lives through outstanding personalised care and forms the bedrock on which we base all our strategic decisions. Consequently, the hospital has continued to make significant investment in improvements to its infrastructure alongside expansion of capacity. The opening of the new, purpose built, Day Surgery Unit in June improved the patient experience and contributed to the growth in private patient numbers and increase in private patient revenue of 128% on prior year. Investment also took place into the physiotherapy department with upgrading work to the hydrotherapy pool and the specialist gym resulting in growth in activity across all services.

Performance review - Parent company
The company has invested in property and plant and machinery in previous years and is now generating revenue from those assets; the company's revenue for the year ended 31 December 2021 was £9.6m and its profit before taxation was £7.3m.

Principal risks and uncertainties

Mining Operations
The 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 group in relation to these operations are:

Market
The group works in close co-operation with the relevant regulatory authorities to satisfy both the planning permissions and licence requirements.

The world commodity markets determines the price of coal but the group minimises risk by securing fixed term contracts with key customers.

Operations
Our mining Engineers are constantly reviewing detailed geographical and engineering models to maximise efficiencies within the mine.

Heavy equipment is used in the restoration project and health and safety is of primary concern to the business. Working practices are designed to ensure safety and also minimise the impact of the project on local residents and the local environment.

Healthcare

The principal activity is the operation of the St Joseph's private hospital; the principal risks relating to these trading activities are:

Covid-19

The group has implemented policies, procedures and ways of working to endure a safe environment for patients and staff alike and this has allowed the group to successfully remain open throughout al of the lockdowns. The group is confident that it can continue to negotiate any future Covid turbulence.

Health & Safety

The group has in place a rigorous and far-reaching health & safety policy and is committed to adhering to all legislation requirements imposed through enforcing authorities.

Risk Management
Coal operations
The principle risk for the group is to achieve sales for the product at satisfactory pricing levels. Currently these remain positive and are likely to be so for the foreseeable future.

The UK Steel and Cement sectors provide our key customer base. 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. Coal prices and fuel costs are currently providing a natural hedge. Full account has been taken for funding the restoration obligation in the future costs and cash flows.

Hospital
Whilst there remains a level of uncertainty in the wider economy due to the ongoing pandemic the board is confident that the group can withstand this. The group continued to invest significantly in 2022 and activities continued to increase significantly.

Financial risks

The group's activities expose it to a number of financial risks including price risk, credit risk, cash flow risk and liquidity risk.

Cash flow risk - Loans bear fixed interest rates, therefore the group does not have significant exposure to adverse movements in interest rates.

Credit risk - The group's principal financial assets are bank balances and cash, and trade and other receivables. The group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The group does have a concentration of credit risk, with a small number of counterparties and customers; the group actively manages this risk.

Liquidity risk - In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mixture of long-term equity and short-term debt finance.

Price risk - The group does have significant exposure to price risk particularly in the mining operations as noted above.

On behalf of the board

Mrs J H Lewis
Director
24 March 2023

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities
The principal activity of the company is that of a holding and investment company. As set out in the strategic report, the group's principal activities are the operation of a surface coal mine, and the provision of elective surgery and other medical services to private and NHS patients.

Results and dividends
The results for the year are set out on page 12, a review of business is set out in the strategic report on page 1.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mrs J H Lewis
Mr A J Lewis

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

Employee involvement
The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Auditor
The auditor, UHY Hacker Young, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Energy and carbon report
The group's subsidiary, Merthyr (South Wales) Limited is the only entity within the group required to report in accordance with the Streamlined Energy and Carbon legislation. We have reported on all sources of GHG emissions and Energy usage in relation to Merthyr (South Wales) Limited:

	2021	2020
Energy consumption	kWh	kWh
Aggregate of energy consumption in the year	933,602	1,050,142

	2021	2020
Emissions of CO2 equivalent	**metric tonnes**	**metric tonnes**
Scope 1 - direct emissions		
- Gas combustion	-	-
- Fuel consumed for owned transport	16,598.00	20,553.00
	16,598.00	20,553.00
Scope 2 - indirect emissions		
- Electricity purchased	910,923.00	1,024,055.00
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the	3,012.00	2,739.00
Total gross emissions	930,533.00	1,047,347.00
Intensity ratio		
Tonnes CO2e per £'m of revenue	0.0232	0.0261

Quantification and reporting methodology
We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement
The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per £'m of revenue.

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 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 is aware of that information.

Going Concern
The group's mining operations returned to profitability in 2022 and the healthcare operations grew significantly in terms of revenue and profitability. The Directors have prepared forecasts for the group up to December 2023, therefore at the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

On behalf of the board

Mrs J H Lewis
Director

24 March 2023

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the Annual 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 the directors have 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 directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group 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 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 ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are 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. They are 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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GWENT HOLDINGS LIMITED

Opinion

We have audited the financial statements of Gwent Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 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 notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2021 and of the group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group and parent company through discussions with directors and other management, and from our commercial knowledge and experience of the relevant sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and parent company, including the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group and parent company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial statements, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the group and parent 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.

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

27 March 2023

Chartered Accountants
Statutory Auditor

Newport
Gwent
United Kingdom

GWENT HOLDINGS LIMITED

GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	68,861,623	52,883,011
Cost of sales (including exceptional cost of £5.8m, 2020: £13.8m)	8	(44,212,630)	(52,119,356)
Gross profit		24,648,993	763,655
Distribution costs		(199,655)	(78,847)
Administrative expenses		(10,444,682)	(9,888,486)
Other operating income		359,175	256,759
Operating profit/(loss)	4	14,363,831	(8,946,919)
Interest receivable and similar income	9	8,372	58,709
Interest payable and similar expenses	10	(1,639,075)	(1,844,090)
Amounts written off investments	11	(1,269,600)	-
Profit/(loss) before taxation		11,463,528	(10,732,300)
Tax on profit/(loss)	12	(2,118,793)	885,800
Profit/(loss) for the financial year		9,344,735	(9,846,500)
Profit/(loss) for the financial year is attributable to:			
- Owners of the parent company		6,435,516	(9,936,445)
- Non-controlling interests		2,909,219	89,945
		9,344,735	(9,846,500)

GWENT HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	£	£
Profit/(loss) for the year	9,344,735	(9,846,500)
Other comprehensive income	-	-
Total comprehensive income for the year	9,344,735	(9,846,500)
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	6,435,516	(9,936,445)
- Non-controlling interests	2,909,219	89,945
	9,344,735	(9,846,500)

GWENT HOLDINGS LIMITED

GROUP BALANCE SHEET
AS AT 31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Goodwill	**13**		3,356,126		3,477,008
Tangible assets	**14**		14,967,184		23,574,873
Investment properties	**15**		9,918,961		6,344,451
Investments	**16**		6,526,195		7,041,336
			34,768,466		40,437,668
Current assets					
Stocks	**18**	2,535,665		1,442,386	
Debtors	**20**	17,702,540		7,525,625	
Cash at bank and in hand		81,706,292		76,193,086	
		101,944,497		85,161,097	
Creditors: amounts falling due within one year	**21**	(22,175,824)		(23,645,888)	
Net current assets			79,768,673		61,515,209
Total assets less current liabilities			114,537,139		101,952,877
Creditors: amounts falling due after more than one year	**22**		(22,040)		(4,670,708)
Provisions for liabilities					
Provisions	**26**	71,446,834		64,129,242	
Deferred tax liability	**24**	913,742		343,139	
			(72,360,576)		(64,472,381)
Net assets			42,154,523		32,809,788
Capital and reserves					
Called up share capital	**27**		1		1
Profit and loss reserves			38,672,725		32,521,563
Equity attributable to owners of the parent company			38,672,726		32,521,564
Non-controlling interests			3,481,797		288,224
			42,154,523		32,809,788

The financial statements were approved by the board of directors and authorised for issue on 24 March 2023 and are signed on its behalf by:

Mrs J H Lewis
Director

Company registration number 10119615 (England and Wales)

GWENT HOLDINGS LIMITED

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	**14**		2,666,201		5,608,981
Investment properties	**15**		9,918,961		6,344,451
Investments	**16**		8,826,296		9,689,879
			21,411,458		21,643,311
Current assets					
Debtors	**20**	24,438,102		20,659,400	
Cash at bank and in hand		46,997,821		48,847,634	
		71,435,923		69,507,034	
Creditors: amounts falling due within one year	**21**	(43,394,894)		(47,600,960)	
Net current assets			28,041,029		21,906,074
Total assets less current liabilities			49,452,487		43,549,385
Creditors: amounts falling due after more than one year	**22**		-		(612)
Net assets			49,452,487		43,548,773
Capital and reserves					
Called up share capital	**27**		1		1
Profit and loss reserves			49,452,486		43,548,772
Total equity			49,452,487		43,548,773

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The c ompany's profit for the year was £5,903,714 (2020 - £449,953 loss).

The financial statements were approved by the board of directors and authorised for issue on 24 March 2023 and are signed on its behalf by:

Mrs J H Lewis
Director

Company registration number 10119615 (England and Wales)

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
	£	£	£	£	£
Balance at 1 January 2020	1	42,458,008	42,458,009	-	42,458,009
Year ended 31 December 2020:					
Loss and total comprehensive income for the year	-	(9,936,445)	(9,936,445)	89,945	(9,846,500)
Acquisition of non-controlling interest	-	-	-	198,279	198,279
Balance at 31 December 2020	1	32,521,563	32,521,564	288,224	32,809,788
Year ended 31 December 2021:					
Profit and total comprehensive income for the year	-	6,435,516	6,435,516	2,909,219	9,344,735
Disposal of non-controlling interest	-	(284,354)	(284,354)	284,354	-
Balance at 31 December 2021	1	38,672,725	38,672,726	3,481,797	42,154,523

GWENT HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2020	1	43,998,725	43,998,726
Year ended 31 December 2020:			
Loss and total comprehensive income for the year	-	(449,953)	(449,953)
Balance at 31 December 2020	1	43,548,772	43,548,773
Year ended 31 December 2021:			
Profit and total comprehensive income for the year	-	5,903,714	5,903,714
Balance at 31 December 2021	1	49,452,486	49,452,487

GWENT HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Cash generated from operations	**32**		17,835,810		31,908,393
Interest paid			(91,075)		(296,090)
Income taxes refunded			793,991		1,246,844
Net cash inflow from operating activities			18,538,726		32,859,147
Investing activities					
Purchase of tangible fixed assets		(1,940,015)		(10,060,219)	
Proceeds from disposal of tangible fixed assets		1,036,855		2,944,144	
Purchase of investment property		(3,574,510)		(2,089,075)	
Purchase of investments		(4,054,459)		-	
Proceeds from disposal of investments		3,300,000		-	
Interest received		8,372		58,709	
Net cash used in investing activities			(5,223,757)		(9,146,441)
Financing activities					
Payment of finance leases obligations		(7,801,763)		(1,386,862)	
Non-controlling interest acquired		-		198,279	
Net cash used in financing activities			(7,801,763)		(1,188,583)
Net increase in cash and cash equivalents			5,513,206		22,524,123
Cash and cash equivalents at beginning of year			76,193,086		53,668,963
Cash and cash equivalents at end of year			81,706,292		76,193,086

1 Accounting policies

Company information

Gwent Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Bradbury House, Mission Court, Newport, Gwent, NP20 2DW.

The group consists of Gwent 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.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1 Accounting policies **(Continued)**

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Gwent 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).

The acquisition of Gwent Investments Limited has been treated as a group reconstruction since there was no change in the ultimate ownership. Accordingly the acquisition was accounted for using the merger accounting method.

Merthyr (Holdings) Limited, Merthyr (South Wales) Limited and St Joseph's Independent Hospital Limited have been included in the group financial statements using the purchase method of accounting.

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.

In the parent company financial statements, group reorganisation relief has been applied to the acquisition of Gwent Investments Limited in accordance with s.612 of the Companies Act 2006 therefore no premium has been accounted for and the investment has been recorded at the nominal value of the shares issued.

1.3 Going concern

The group's mining operations returned to profitability in 2022 and the healthcare operations grew significantly in terms of revenue and profitability. The directors have prepared forecasts for the group up to December 2023, therefore at the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover relates to amounts derived from coal sales and other services. 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 - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is over the remaining life of the mining operation.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

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.

1 Accounting policies **(Continued)**

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	Coal Extraction basis
Land and buildings - hospital	50 years
Improvements to property	50 years
Plant and machinery / Fixtures and fittings	3 - 15 years
Deferred stripping costs	Not depreciated
Mining projects	Coal Extraction basis
Restoration asset	Coal Extraction basis
Motor vehicles	4 - 5 years

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.

1.7 Investment properties
Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.8 Fixed asset investments
In the parent company financial statements, investments in subsidiaries 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.

Investments in prestige vehicles are measured at fair value through profit or loss, except for vehicles 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.

1 Accounting policies **(Continued)**

1.9 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.

1.10 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 cost and replacement 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.

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.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

1.12 Taxation

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

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.

1.13 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 in which it arises.

1.14 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.

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

1.16 Leases
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1 Accounting policies **(Continued)**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are 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.

2 Judgements and key sources of estimation uncertainty **(Continued)**

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Restoration provision

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 8 and 26 the provision was re-assessed during the year and the prior year and as a consequence the estimate was increased £5.8m this was debited to the profit and loss account (2020: £13.8m was debited to the profit and loss account). This is regarded as an exceptional item, refer to note 8. The main cause of the increase is significant anticipated increases in fuel costs following changes to fuel duty in 2020 and significant increases in pump prices in 2021.

Restoration asset

A restoration asset was created for an amount equipment 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

	2021	2020
	£	£
Turnover analysed by class of business		
Coal	42,815,452	40,179,313
Healthcare	26,046,171	12,703,698
	68,861,623	52,883,011

	2021	2020
	£	£
Other revenue		
Interest income	8,372	58,709
Grants received	253,327	231,202

All turnover relates to the UK by origin and destination.

4 Operating profit/(loss)

	2021	2020
	£	£
Operating profit for the year is stated after charging:		
Government grants	(253,327)	(231,202)
Depreciation of owned tangible fixed assets	6,034,355	7,156,992
Depreciation of tangible fixed assets held under finance leases	72,000	1,338,193
(Profit)/loss on disposal of tangible fixed assets	(212,238)	1,540,767
Amortisation of intangible assets	120,882	120,875
Exceptional items (note 7)	5,769,592	13,812,100
Operating lease charges	28,920	-

5 Auditor's remuneration

	2021	2020
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	14,070	12,500
Audit of the financial statements of the company's subsidiaries	40,345	50,000
	54,415	62,500
For other services		
Taxation compliance services	10,000	10,000
Services relating to corporate finance transactions	-	12,000
All other non-audit services	650	-
	10,650	22,000

6 Employees

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

	Group		Company	
	2021	2020	2021	2020
	Number	Number	Number	Number
Site operatives - Mining	116	124	-	-
Management and administration - Mining	19	21	-	-
Clinical - Hospital	154	105	-	-
Non-clinical - Hospital	99	86	-	-
	388	336	-	-

6 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Wages and salaries	12,276,353	10,371,254	-	-
Social security costs	1,167,357	971,432	-	-
Pension costs	493,080	314,318	-	-
	13,936,790	11,657,004	-	-

7 Directors' remuneration

	2021	2020
	£	£
Remuneration for qualifying services	103,734	-

8 Exceptional costs

Restoration provision/asset

As discussed in note 26 during the year the directors again reassessed the restoration provision based on current operating costs in particular diesel prices which have increased significantly and as a result increased the restoration provision by £5.8 m to £71.4m; this followed an internal re-evaluation as well as a review by independent consultants. the £5.8m increase was debited to the profit and loss account.

This followed a significant increase in the restoration provision of £13.8m in 2020. The increase was principally a result of significant anticipated increases in fuel costs following the fuel duty changes which mean that the duty charge to the company increases from 11.14p per litre to 57.95p per litre from 1 April 2022.

The £13.8m increase in 2020 was debited to the profit and loss account.

9 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Interest on bank deposits	-	58,709
Other interest income	8,372	-
Total income	8,372	58,709

10 Interest payable and similar expenses

	2021	2020
	£	£
Interest on bank overdrafts and loans	1,303	1
Interest on finance leases and hire purchase contracts	89,772	243,847
Unwinding of discount on provisions	1,548,000	1,548,000
Other interest	-	52,242
Total finance costs	1,639,075	1,844,090

11 Amounts written off investments

	2021	2020
	£	£
Loss on disposal of investments held at fair value	(1,269,600)	-

12 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	2,821,627	(929,868)
Adjustments in respect of prior periods	(24,165)	-
Total current tax	2,797,462	(929,868)
Deferred tax		
Origination and reversal of timing differences	(742,019)	8,883
Changes in tax rates	63,350	35,185
Total deferred tax	(678,669)	44,068
Total tax charge/(credit)	2,118,793	(885,800)

12 Taxation (Continued)

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

	2021	2020
	£	£
Profit/(loss) before taxation	11,463,528	(10,732,300)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	2,178,070	(2,039,137)
Tax effect of expenses that are not deductible in determining taxable profit	346	19,356
Tax effect of income not taxable in determining taxable profit	-	(7,773)
Gains not taxable	(136,544)	(143,419)
Tax effect of utilisation of tax losses not previously recognised	(156,819)	21,953
Unutilised tax losses carried forward	2,647	159,255
Adjustments in respect of prior years	(29,059)	-
Effect of change in corporation tax rate	121,933	35,185
Permanent capital allowances in excess of depreciation	(79,141)	948,728
Depreciation on assets not qualifying for tax allowances	217,360	120,052
Taxation charge/(credit)	2,118,793	(885,800)

13 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 January 2021 and 31 December 2021	4,700,821
Amortisation and impairment	
At 1 January 2021	1,223,813
Amortisation charged for the year	120,882
At 31 December 2021	1,344,695
Carrying amount	
At 31 December 2021	3,356,126
At 31 December 2020	3,477,008

The company had no intangible fixed assets at 31 December 2021 or 31 December 2020.

14 Tangible fixed assets

Group	Land and buildings	Improvements to property	Assets under construction	Plant and machinery / Fixtures and fittings	Deferred stripping costs	Mining projects	Restoration asset	Motor vehicles	Total
	£	£	£	£	£	£	£	£	£
Cost									
At 1 January 2021	6,686,542	-	268,263	14,332,944	6,790,546	11,048,344	8,225,789	2,180,332	49,532,760
Additions	132,178	1,146,992	201,250	1,294,623	-	-	-	-	2,775,043
Deferral reversal	-	-	-	-	(3,616,732)	-	-	-	(3,616,732)
Disposals	-	-	-	(1,052,402)	-	-	-	(778,685)	(1,831,087)
Transfers	(835,028)	-	-	-	-	-	-	-	(835,028)
At 31 December 2021	5,983,692	1,146,992	469,513	14,575,165	3,173,814	11,048,344	8,225,789	1,401,647	46,024,956
Depreciation and impairment									
At 1 January 2021	3,201,277	-	-	5,683,781	-	9,075,116	7,263,090	734,623	25,957,887
Depreciation charged in the year	548,798	25,136	-	2,817,211	-	1,482,297	765,788	467,125	6,106,355
Eliminated in respect of disposals	-	-	-	(778,418)	-	-	(228,052)	-	(1,006,470)
At 31 December 2021	3,750,075	25,136	-	7,722,574	-	10,557,413	7,800,826	1,201,748	31,057,772
Carrying amount									
At 31 December 2021	2,233,617	1,121,856	469,513	6,852,591	3,173,814	490,931	424,963	199,899	14,967,184
At 31 December 2020	3,485,265	-	268,263	8,649,163	6,790,546	1,973,228	962,699	1,445,709	23,574,873

Company	Plant and machinery / Fixtures and fittings	Motor vehicles	Total
	£	£	£
Cost			
At 1 January 2021	4,184,874	2,094,845	6,279,719
Additions	166,722	-	166,722
Disposals	(1,534,120)	(778,685)	(2,312,805)
At 31 December 2021	2,817,476	1,316,160	4,133,636
Depreciation and impairment			
At 1 January 2021	-	670,738	670,738
Depreciation charged in the year	563,454	461,295	1,024,749
Eliminated in respect of disposals	-	(228,052)	(228,052)
At 31 December 2021	563,454	903,981	1,467,435
Carrying amount			
At 31 December 2021	2,254,022	412,179	2,666,201
At 31 December 2020	4,184,874	1,424,107	5,608,981

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2021	Group 2020	Company 2021	Company 2020
	£	£	£	£
Plant and machinery / Fixtures and fittings	87,461	3,561,000	-	-
Motor vehicles	-	21,815	-	21,815
	87,461	3,582,815	-	21,815

15 Investment property

	Group 2021	Company 2021
	£	£
Fair value		
At 1 January 2021	6,344,451	6,344,451
Additions through external acquisition	3,574,510	3,574,510
At 31 December 2021	9,918,961	9,918,961

Investment property comprises of freehold property held for capital appreciation. The fair value of the investment property has been arrived at on the basis of a valuation carried out at independent third parties, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

15 Investment property (Continued)

The carrying value of land and buildings comprises:

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Freehold	9,918,961	6,344,451	9,918,961	6,344,451

16 Fixed asset investments

	Notes	Group 2021	2020	Company 2021	2020
		£	£	£	£
Investments in subsidiaries	17	-	-	2,300,101	2,648,543
Investments in prestige vehicles		6,526,195	7,041,336	6,526,195	7,041,336
		6,526,195	7,041,336	8,826,296	9,689,879

During the year the company acquired 81% of St Joseph's Independent Hospital Limited which in turn acquired the trade and assets of St Joseph's Hospital from the administrators, the consideration paid by St Joseph's Independent Hospital Limited was assigned to the assets acquired (no goodwill arose from the transaction).

Also during the year the group incorporated PMG Gwern Y Domen Limited for £100.

Movements in fixed asset investments

Group	Investments in prestige vehicles
	£
Cost or valuation	
At 1 January 2021	7,041,336
Additions	4,054,459
Disposals	(4,569,600)
At 31 December 2021	6,526,195
Carrying amount	
At 31 December 2021	6,526,195
At 31 December 2020	7,041,336

16 Fixed asset investments (Continued)

Movements in fixed asset investments

Company	Shares in group undertakings	Investments in prestige vehicles	Total
	£	£	£
Cost or valuation			
At 1 January 2021	2,648,543	7,041,336	9,689,879
Additions	-	4,054,459	4,054,459
Disposals	(348,442)	(4,569,600)	(4,918,042)
At 31 December 2021	2,300,101	6,526,195	8,826,296
Carrying amount			
At 31 December 2021	2,300,101	6,526,195	8,826,296
At 31 December 2020	2,648,543	7,041,336	9,689,879

17 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Class of shares held	% Held Direct	% Held Indirect
Gwent Investments Limited	Ordinary	100.00	-
Merthyr (Holdings) Limited	Ordinary	0	100.00
Merthyr (South Wales) Limited	Ordinary	0	100.00
Merthyr (Ffos-y-Fran) Limited	Ordinary	0	100.00
Ffos-y-fran (Commoners) Limited	Ordinary	0	100.00
Merthyr (Nominee No. 1) Limited	Ordinary	0	100.00
Ffos-y-Fran Limited partnership	Ordinary	0	100.00
St Joseph's Independent Hospital Limited	Ordinary	51.00	-
PMG Gwern Y Domen Limited	Ordinary	100.00	-

The registered office address for Gwent Investments Limited is Llanover House, Llanover Road, Pontypridd, Rhonda Cynon Taff, CF37 4DY.

The registered office address for Merthyr (South Wales) Limited and PMG Gwern Y Domen Limited is Bradbury House, Mission Court, Newport, Gwent, NP20 2DW.

The registered office address for Ffos-y-Fran Limited partnership is 4 Stable Street, London, N1C 4AB.

The registered office address for St Joseph's Independent Hospital Limited is Harding Avenue, Malpas, Newport, NP20 6ZE.

The registered office address for the rest of the companies above is Cwmbargoed Disposal Point, Fochriw Road, Cwmbargoed, Merthyr Tydfil, CF48 4AE.

18 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Coal stocks	1,883,070	748,656	-	-
Other stocks	652,595	693,730	-	-
	2,535,665	1,442,386	-	-

19 Financial instruments

	Group 2021 £	2020 £	Company 2021 £	2020 £
Carrying amount of financial assets				
Instruments measured at fair value through profit or loss	6,526,195	7,041,336	6,526,195	7,041,336

20 Debtors

	Group 2021	2020	Company 2021	2020
Amounts falling due within one year:	£	£	£	£
Trade debtors	10,774,081	5,787,378	-	-
Unpaid share capital	402	402	-	-
Corporation tax recoverable	240,551	196,185	-	-
Amounts owed by group undertakings	-	-	18,285,013	18,014,870
Other debtors	4,910,917	1,043,887	4,745,810	878,105
Prepayments and accrued income	527,317	497,773	-	-
	16,453,268	7,525,625	23,030,823	18,892,975
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	1,291,570	1,766,425
Deferred tax asset (note 24)	1,249,272	-	115,709	-
	1,249,272	-	1,407,279	1,766,425
Total debtors	17,702,540	7,525,625	24,438,102	20,659,400

21 Creditors: amounts falling due within one year

		Group		Company	
		2021	2020	2021	2020
	Notes	£	£	£	£
Obligations under finance leases	23	100,438	3,653,533	-	7,342
Trade creditors		2,334,259	1,636,778	75,737	240,747
Amounts owed to group undertakings		-	-	38,856,673	45,583,468
Corporation tax payable		8,489,398	4,853,579	2,385,719	4,506
Other taxation and social security		6,618,556	6,832,522	665,697	-
Other creditors		3,098,781	4,100,444	1,411,068	1,764,897
Accruals and deferred income		1,534,392	2,569,032	-	-
		22,175,824	23,645,888	43,394,894	47,600,960

22 Creditors: amounts falling due after more than one year

		Group		Company	
		2021	2020	2021	2020
	Notes	£	£	£	£
Obligations under finance leases	23	22,040	4,270,708	-	612
Accruals and deferred income		-	400,000	-	-
		22,040	4,670,708	-	612

23 Finance lease obligations

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Future minimum lease payments due under finance leases:				
Within one year	100,438	3,653,533	-	7,342
In two to five years	22,040	3,879,048	-	612
In over five years	-	391,660	-	-
	122,478	7,924,241	-	7,954

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

24 Deferred taxation

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

Group	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
Accelerated capital allowances	913,742	343,139	1,249,272	-

Company	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
Accelerated capital allowances	-	-	115,709	-

Movements in the year:	Group 2021 £	Company 2021 £
Liability at 1 January 2021	343,139	-
Credit to profit or loss	(678,669)	(115,709)
Asset at 31 December 2021	(335,530)	(115,709)

The deferred tax set out above relates to accelerated capital allowances and this is expected to reverse over the useful lives of the related assets.

25 Retirement benefit schemes

Defined contribution schemes	2021 £	2020 £
Charge to profit or loss in respect of defined contribution schemes	493,080	314,318

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 Provisions for liabilities

	Notes	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Operating provisions		71,446,834	64,129,242	-	-
Deferred tax liabilities	24	913,742	343,139	-	-
		72,360,576	64,472,381	-	-

26 Provisions for liabilities **(Continued)**

Movements on provisions apart from deferred tax liabilities:

Group	Operating provisions £
At 1 January 2021	64,129,242
Additional provisions in the year	5,769,592
Unwinding of discount on restoration costs	1,548,000
At 31 December 2021	71,446,834

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 8 years.

As discussed in note 8 the provision was reassessed in 2021 and 2020 and increased by £5.8m and £13.8m respectively.

27 Share capital

	Group and company	
	2021	2020
Ordinary share capital	£	£
Issued and fully paid		
1 Ordinary shares of £1 each	1	1

28 Operating lease commitments

Lessee

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	
	2021	2020	2021	2020
	£	£	£	£
Within one year	18,303	10,116	-	-
Between two and five years	11,514	12,111	-	-
In over five years	4,094	1,332	-	-
	33,911	23,559	-	-

29 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Acquisition of tangible fixed assets	2,608,818	-	-	-

30 Controlling party

The ultimate controlling party of the company and the group is Mrs J H Lewis by virtue of their shareholding.

31 Related party transactions

Transactions with related parties

The group has taken advantage of the exemption, under the terms of FRS 102, section 33.1A, not to disclose related party transactions with wholly owned subsidiaries within the group.

32 Cash generated from group operations

	2021	2020
	£	£
Profit/(loss) for the year after tax	9,344,735	(9,846,500)
Adjustments for:		
Taxation charged/(credited)	2,118,793	(885,800)
Finance costs	1,639,075	1,844,090
Investment income	(8,372)	(58,709)
(Gain)/loss on disposal of tangible fixed assets	(212,238)	1,540,767
Amortisation and impairment of intangible assets	120,882	120,875
Depreciation and impairment of tangible fixed assets	6,106,355	8,495,185
Other gains and losses	1,269,600	-
Increase in provisions	5,769,592	13,812,100
Deferred stripping	3,616,732	600,000
Movements in working capital:		
(Increase)/decrease in stocks	(1,093,279)	691,666
(Increase)/decrease in debtors	(8,883,277)	(4,365,779)
(Decrease)/increase in creditors	(1,952,788)	11,228,940
Cash generated from operations	17,835,810	31,908,393

33 Analysis of changes in net funds - group

	1 January 2021	Cash flows	31 December 2021
	£	£	£
Cash at bank and in hand	76,193,086	5,513,206	81,706,292
Obligations under finance leases	(7,924,241)	7,801,763	(122,478)
	68,268,845	13,314,969	81,583,814