Company registration number 10119615 (England and Wales)

GWENT HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

GWENT HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mrs J H Lewis	
	Mr A J Lewis	(Appointed 6 May 2020)
	A J Lewis	(Appointed 6 May 2020)
	Mr A J Lewis	
Company number	10119615	
Registered office	C/O UHY Hacker Young Lanyon House Mission Court Newport NP20 2DW	
Auditor	UHY Hacker Young Lanyon House Mission Court Newport South Wales United Kingdom NP20 2DW	

GWENT HOLDINGS LIMITED

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the strategic report for the year ended 31 December 2020.

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 director understands 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 operating of Merthyr (South Wales) Limited, however during the year the group acquired a 81% stake in St Joseph's Independent Hospital Limited, a newly formed company set up to acquire St Joseph's Private Hospital in Newport.

The results are presented on page 11.

Group revenue decreased by £6.1m (10.3%) from £59.0m to £52.9m; coal sales fell by £18.8m (31.9%) from £59.0m to £40.2m. The hospital contributed approximately £12.7m to group revenue in the year to 31 December 2020.

Group profitability was significantly impacted by COVID-19 and by changes in government legislation increasing anticipated restoration costs in the groups coal operations; resulting in a loss before tax for the year of £10.7m (2019: profit £20.5m).

Group net assets at 31 December 2020 were £32.8m (2019: £42.5m).

Performance review - Coal operations

2020 proved to be an extremely challenging year for the group's coal operations. The total tonnage of coal sales in the year was 575,551 (2019: 678,564) a 15% decrease. The average coal price achieved decreased by 25% to £69.81 per tonne.

GP% which is one of the company's key areas of operating effectiveness was -17.7% for the year ended 31 December 2020 compared to 41.5% for the year ended 31 December 2019.

The gross profit includes £13.8m (2019: £4.5m credit) of exceptional cost related to provision adjustments which resulted principally from the significant increase in fuel duty as a result of changes in government legislation on the use of "Red-Diesel"; adjusting for these items the GP% was 16.6% compared to 33.9% in 2019.

A major factor for the decrease in volume was due to Covid-19. The national lockdown was announced 3 months into the financial year which caused immediate significant changes to production operations. The site changed from double to single shift operations, directly impacting the amount of coal being able to be produce. Approximately 17% of the workforce were furloughed too.

Performance review - Healthcare
The group incorporated St Joseph's Independent Hospital Limited on 29 October 2019 and acquired St Joseph's Hospital ("the hospital") in February 2020. The hospital was founded in 1946 by the Sister of St Joseph of Annecy; since that time the hospital has undergone significant investment and expansion.

St Joseph's is a private hospital whose principal activity is the provision of elective surgery and other medical services to private and NHS patients.

The companies KPIs for the first year if trading were:

Outpatients	20,069
Admissions	3,069
Patient Day Equivalents	3,779
Imaging	9,122
Physiotherapy	3,930

From March 2020 to mid-July 2020, the hospital was proud to be part of the NHS national response to the COVID-19 pandemic with an agreement to provide staff, facilities, services and equipment to the NHS, at cost as part of the All Wales Block Booking Contract. The hospital continued to assist its NHS colleagues even after the end of the All Wales contract, continuing to provide half of its facilities and capacity as a Green site and be able to do this whilst accommodating increasing numbers of private patients thanks to the successful efficiency and improvements program carried out throughout the year.

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 2021 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
5 May 2022

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

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 activity is the operation of a surface coal mine.

Results and dividends
The results for the year are set out on page 11, 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	(Appointed 6 May 2020)
A J Lewis	(Appointed 6 May 2020)

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:

	2020	2019
Energy consumption	**kWh**	**kWh**
Aggregate of energy consumption in the year	937,000	-

	2020	2019
Emissions of CO2 equivalent	**metric tonnes**	**metric tonnes**
Scope 1 - direct emissions		
- Gas combustion	-	-
- Fuel consumed for owned transport	20,553.00	-
	20,553.00	-
Scope 2 - indirect emissions		
- Electricity purchased	910,923.00	-
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the	2,739.00	-
Total gross emissions	934,215.00	-
Intensity ratio		
Tonnes CO2e per £'m of revenue	0.0233	

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 CO_2e 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 2021 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

5 May 2022

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020 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 2020 and of the group's loss 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 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 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 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 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

5 May 2022

Chartered Accountants
Statutory Auditor

Newport
South Wales
United Kingdom

GWENT HOLDINGS LIMITED

GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	**3**	52,883,011	58,975,573
Cost of sales (including exceptional credit of £4.5m, 2018: £3.8m)	**6**	(52,119,356)	(33,117,454)
Gross profit		763,655	25,858,119
Distribution costs		(78,847)	-
Administrative expenses (including exceptional cost of £1.3m)	**6**	(9,888,486)	(3,700,346)
Other operating income		256,759	45,005
Operating (loss)/profit	**5**	(8,946,919)	22,202,778
Interest receivable and similar income	**7**	58,709	184,279
Interest payable and similar expenses	**8**	(1,844,090)	(1,920,332)
(Loss)/profit before taxation		(10,732,300)	20,466,725
Tax on (loss)/profit	**10**	885,800	(4,058,215)
(Loss)/profit for the financial year		(9,846,500)	16,408,510
(Loss)/profit for the financial year is attributable to:			
- Owners of the parent company		(9,936,445)	16,408,510
- Non-controlling interests		89,945	-
		(9,846,500)	16,408,510

GWENT HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	£	£
(Loss)/profit for the year	(9,846,500)	16,408,510
Other comprehensive income	-	-
Total comprehensive income for the year	(9,846,500)	16,408,510
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	(9,936,445)	16,408,510
- Non-controlling interests	89,945	-
	(9,846,500)	16,408,510

GWENT HOLDINGS LIMITED

GROUP BALANCE SHEET
AS AT 31 DECEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Goodwill	**12**		3,477,008		3,597,883
Tangible assets	**13**		23,574,873		25,628,973
Investment properties	**14**		6,344,451		4,255,376
Investments	**16**		7,041,336		7,041,336
			40,437,668		40,523,568
Current assets					
Stocks	**18**	1,442,386		2,134,052	
Debtors	**19**	7,525,625		11,893,001	
Cash at bank and in hand		76,193,086		53,668,963	
		85,161,097		67,696,016	
Creditors: amounts falling due within one year	**20**	(23,645,888)		(10,806,506)	
Net current assets			61,515,209		56,889,510
Total assets less current liabilities			101,952,877		97,413,078
Creditors: amounts falling due after more than one year	**21**		(4,670,708)		(5,886,856)
Provisions for liabilities					
Provisions	**25**	64,129,242		48,769,142	
Deferred tax liability	**23**	343,139		299,071	
			(64,472,381)		(49,068,213)
Net assets			32,809,788		42,458,009
Capital and reserves					
Called up share capital	**26**		1		1
Profit and loss reserves			32,521,563		42,458,008
Equity attributable to owners of the parent company			32,521,564		42,458,009
Non-controlling interests			288,224		-
			32,809,788		42,458,009

The financial statements were approved by the board of directors and authorised for issue on 5 May 2022 and are signed on its behalf by:

Mrs J H Lewis
Director

GWENT HOLDINGS LIMITED

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	**13**		5,608,981		976,976
Investment properties	**14**		6,344,451		4,255,376
Investments	**16**		9,689,879		8,841,337
			21,643,311		14,073,689
Current assets					
Debtors	**19**	20,659,400		17,724,381	
Cash at bank and in hand		48,847,634		39,620,567	
		69,507,034		57,344,948	
Creditors: amounts falling due within one year	**20**	(47,600,960)		(27,395,765)	
Net current assets			21,906,074		29,949,183
Total assets less current liabilities			43,549,385		44,022,872
Creditors: amounts falling due after more than one year	**21**		(612)		(24,146)
Net assets			43,548,773		43,998,726
Capital and reserves					
Called up share capital	**26**		1		1
Profit and loss reserves			43,548,772		43,998,725
Total equity			43,548,773		43,998,726

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 loss for the year was £449,953 (2019 - £14,962,966 profit).

The financial statements were approved by the board of directors and authorised for issue on 5 May 2022 and are signed on its behalf by:

Mrs J H Lewis
Director

Company Registration No. 10119615

GWENT HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
		£	£	£	£	£
Balance at 1 January 2019		1	26,759,426	26,759,427	-	26,759,427
Year ended 31 December 2019:						
Profit and total comprehensive income for the year		-	16,408,510	16,408,510	-	16,408,510
Dividends	11	-	(709,928)	(709,928)	-	(709,928)
Balance at 31 December 2019		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

GWENT HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital	Profit and loss reserves	Total
		£	£	£
Balance at 1 January 2019		1	29,745,687	29,745,688
Year ended 31 December 2019:				
Profit and total comprehensive income for the year		-	14,962,966	14,962,966
Dividends	11	-	(709,928)	(709,928)
Balance at 31 December 2019		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

GWENT HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

		2020		2019	
	Notes	**£**	**£**	**£**	**£**
Cash flows from operating activities					
Cash generated from operations	**31**		31,908,393		12,183,860
Interest paid			(296,090)		(372,332)
Income taxes refunded/(paid)			1,246,844		(3,393,978)
Net cash inflow from operating activities			32,859,147		8,417,550
Investing activities					
Purchase of tangible fixed assets		(10,060,219)		(3,146,507)	
Proceeds on disposal of tangible fixed assets		2,944,144		-	
Purchase of investment property		(2,089,075)		-	
Proceeds on disposal of investment property		-		1,850,446	
Purchase of investments		-		(2,398,236)	
Interest received		58,709		184,279	
Net cash used in investing activities			(9,146,441)		(3,510,018)
Financing activities					
Payment of finance leases obligations		(1,386,862)		2,521,372	
Non-controlling interest acquired		198,279		-	
Dividends paid to equity shareholders		-		(709,928)	
Net cash (used in)/generated from financing activities			(1,188,583)		1,811,444
Net increase in cash and cash equivalents			22,524,123		6,718,976
Cash and cash equivalents at beginning of year			53,668,963		46,949,987
Cash and cash equivalents at end of year			76,193,086		53,668,963

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 C/o UHY Hacker Young, Lanyon House, Mission Court, 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 2021 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
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)**

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 6 and 25 the provision was re-assessed during the year and the prior year and as a consequence the estimate was increased by approximately £13.8m in 2020 of which £13.8m was debited to the profit and loss account in 2020 (£5.2m reduction in 2019 of which £4.5m was credited to the profit and loss account with the remainder credited to the restoration asset). This is regarded as an exceptional item, refer to note 6. The main cause of the increase is significant anticipated increases in fuel costs following changes to fuel duty.

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

	2020	2019
	£	£
Turnover analysed by class of business		
Coal	40,179,313	58,975,573
Healthcare	12,703,698	-
	52,883,011	58,975,573

	2020	2019
	£	£
Other revenue		
Interest income	58,709	184,279
Grants received	231,202	-

All turnover relates to the UK by origin and destination.

4 Auditor's remuneration

	2020	2019
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	12,500	9,500
Audit of the financial statements of the company's subsidiaries	50,000	43,500
	62,500	53,000
For other services		
Taxation compliance services	10,000	7,000
Services relating to corporate finance transactions	12,000	5,000
	22,000	12,000

5 Operating (loss)/profit

	2020	2019
	£	£
Operating profit for the year is stated after charging:		
Government grants	(231,202)	-
Depreciation of owned tangible fixed assets	7,156,992	8,238,739
Depreciation of tangible fixed assets held under finance leases	1,338,193	1,500,451
Loss on disposal of tangible fixed assets	1,540,767	35,311
Amortisation of intangible assets	120,875	120,801
Exceptional items (note 6)	(5,230,795)	(3,822,675)

6 Exceptional costs

Restoration provision/asset

As discussed in note 25 during the year the directors again reassessed the restoration provision based on current operating costs in particular diesel prices and as a result increased it by £13.8m to £64.1m; this followed an internal re-evaluation as well as a review by independent consultants. £13.8m was debited to the profit and loss account.

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.

In the prior year the provision was reduced by £5.2m with £0.7m bring credited to the restoration asset and the remaining £ 4.5m was credited to the profit and loss account.

Bad debt write off

During the prior year, £1.3m of bad debts were written off in relation to British Steel Limited who went into liquidation on 22 May 2019. This resulted in a £1.3m reduction in profit.

7 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Interest on bank deposits	58,709	184,279

8 Interest payable and similar expenses

	2020	2019
	£	£
Interest on bank overdrafts and loans	1	38,687
Interest on finance leases and hire purchase contracts	243,847	193,207
Unwinding of discount on provisions	1,548,000	1,548,000
Other interest	52,242	140,438
Total finance costs	1,844,090	1,920,332

9 Employees

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

	Group		Company	
	2020	2019	2020	2019
	Number	Number	Number	Number
Site operatives - Mining	124	131	-	-
Management and administration - Mining	21	23	-	-
Clinical - Hospital	105	-	-	-
Non-clinical - Hospital	86	-	-	-
	336	154	-	-

Their aggregate remuneration comprised:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Wages and salaries	10,371,254	5,914,600	-	-
Social security costs	971,432	657,716	-	-
Pension costs	314,318	163,576	-	-
	11,657,004	6,735,892	-	-

10 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	(929,868)	4,272,088
Adjustments in respect of prior periods	-	(80,094)
Total current tax	(929,868)	4,191,994
Deferred tax		
Origination and reversal of timing differences	8,883	(133,779)
Changes in tax rates	35,185	-
Total deferred tax	44,068	(133,779)
Total tax (credit)/charge	(885,800)	4,058,215

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

	2020	2019
	£	£
(Loss)/profit before taxation	(10,732,300)	20,466,725
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(2,039,137)	3,888,678
Tax effect of expenses that are not deductible in determining taxable profit	19,356	(203,179)
Tax effect of income not taxable in determining taxable profit	(7,773)	-
Gains not taxable	(143,419)	-
Tax effect of utilisation of tax losses not previously recognised	21,953	-
Unutilised tax losses carried forward	159,255	1,553
Adjustments in respect of prior years	-	25,606
Effect of change in corporation tax rate	35,185	-
Permanent capital allowances in excess of depreciation	948,728	(36,054)
Depreciation on assets not qualifying for tax allowances	120,052	381,611
Taxation (credit)/charge	(885,800)	4,058,215

11 Dividends

	2020	2019
Recognised as distributions to equity holders:	£	£
Final paid	-	709,928

12 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 January 2020 and 31 December 2020	4,700,821
Amortisation and impairment	
At 1 January 2020	1,102,938
Amortisation charged for the year	120,875
At 31 December 2020	1,223,813
Carrying amount	
At 31 December 2020	3,477,008
At 31 December 2019	3,597,883

The company had no intangible fixed assets at 31 December 2020 or 31 December 2019.

13 Tangible fixed assets

Group	Land and buildings - coal	Assets under construction	Plant and machinery /Fixtures and fittings	Deferred stripping costs	Mining projects	Restoration asset	Motor vehicles	Total
	£	£	£	£	£	£	£	£
Cost								
At 1 January 2020	4,255,424	-	30,351,135	7,390,546	11,048,344	8,225,789	1,321,454	62,592,692
Additions	2,749,118	268,263	7,649,737	-	-	-	858,878	11,525,996
Deferral reversal	-	-	-	(600,000)	-	-	-	(600,000)
Disposals/adjustment	(318,000)	-	(23,667,928)	-	-	-	-	(23,985,928)
At 31 December 2020	6,686,542	268,263	14,332,944	6,790,546	11,048,344	8,225,789	2,180,332	49,532,760
Depreciation and impairment								
At 1 January 2020	2,637,378	-	19,985,792	-	7,541,881	6,459,217	339,451	36,963,719
Depreciation charged in the year	563,899	-	5,199,006	-	1,533,235	803,873	395,172	8,495,185
Eliminated in respect of disposals	-	-	(19,501,017)	-	-	-	-	(19,501,017)
At 31 December 2020	3,201,277	-	5,683,781	-	9,075,116	7,263,090	734,623	25,957,887
Carrying amount								
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
At 31 December 2019	1,618,046	-	10,365,343	7,390,546	3,506,463	1,766,572	982,003	25,628,973

Company	Plant and machinery / Fixtures and fittings	Motor vehicles	Total
	£	£	£
Cost			
At 1 January 2020	-	1,260,160	1,260,160
Additions	4,184,874	834,685	5,019,559
At 31 December 2020	4,184,874	2,094,845	6,279,719
Depreciation and impairment			
At 1 January 2020	-	283,184	283,184
Depreciation charged in the year	-	387,554	387,554
At 31 December 2020	-	670,738	670,738
Carrying amount			
At 31 December 2020	4,184,874	1,424,107	5,608,981
At 31 December 2019	-	976,976	976,976

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

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Plant and machinery / Fixtures and fittings	3,561,000	3,874,244	-	-
Motor vehicles	21,815	107,694	21,815	107,694
	3,582,815	3,981,938	21,815	107,694
Depreciation charge for the year in respect of leased assets	1,338,193	1,500,451	63,771	135,062

14 Investment property

	Group 2020	Company 2020
	£	£
Fair value		
At 1 January 2020	4,255,376	4,255,376
Additions through external acquisition	2,089,075	2,089,075
At 31 December 2020	6,344,451	6,344,451

14 Investment property (Continued)

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.

The carrying value of land and buildings comprises:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Freehold	6,344,451	4,255,376	6,344,451	4,255,376

15 Financial instruments

	Group 2020 £	2019 £	Company 2020 £	2019 £
Carrying amount of financial assets				
Instruments measured at fair value through profit or loss	7,041,336	7,041,336	7,041,336	7,041,336

16 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	17	-	-	2,648,543	1,800,001
Investments in prestige vehicles		7,041,336	7,041,336	7,041,336	7,041,336
		7,041,336	7,041,336	9,689,879	8,841,337

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.

16 Fixed asset investments **(Continued)**

Movements in fixed asset investments
Group

	Investments in prestige vehicles
	£
Cost or valuation	
At 1 January 2020 and 31 December 2020	7,041,336
Carrying amount	
At 31 December 2020	7,041,336
At 31 December 2019	7,041,336

Movements in fixed asset investments
Company

	Shares in group undertakings	Investments in prestige vehicles	Total
	£	£	£
Cost or valuation			
At 1 January 2020	1,800,001	7,041,336	8,841,337
Additions	848,542	-	848,542
At 31 December 2020	2,648,543	7,041,336	9,689,879
Carrying amount			
At 31 December 2020	2,648,543	7,041,336	9,689,879
At 31 December 2019	1,800,001	7,041,336	8,841,337

17 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 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	81.00	-
PMG Gwern Y Domen Limited	Ordinary	100.00	-

17 Subsidiaries **(Continued)**

The registered office address for the above is Cwmbargoed Disposal Point Fochriw Road, Cwmbargoed, Merthy Tydfil, Wales, CF48 4AE.

18 Stocks

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Coal stocks	748,656	2,022,020	-	-
Other stocks	693,730	112,032	-	-
	1,442,386	2,134,052	-	-

19 Debtors

	Group 2020	2019	Company 2020	2019
Amounts falling due within one year:	£	£	£	£
Trade debtors	5,787,378	10,639,322	-	-
Unpaid share capital	402	402	-	-
Corporation tax recoverable	196,185	197,782	-	-
Amounts owed by group undertakings	-	-	18,014,870	17,716,440
Other debtors	1,043,887	866,545	878,105	7,941
Prepayments and accrued income	497,773	188,950	-	-
	7,525,625	11,893,001	18,892,975	17,724,381
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	1,766,425	-
Total debtors	7,525,625	11,893,001	20,659,400	17,724,381

20 Creditors: amounts falling due within one year

		Group		Company	
		2020	2019	2020	2019
	Notes	£	£	£	£
Obligations under finance leases	22	3,653,533	1,958,470	7,342	258,120
Trade creditors		1,636,778	941,725	240,747	-
Amounts owed to group undertakings		-	-	45,583,468	27,034,139
Corporation tax payable		4,853,579	4,538,200	4,506	4,506
Other taxation and social security		6,832,522	1,041,295	-	-
Other creditors		4,100,444	552,785	1,764,897	99,000
Accruals and deferred income		2,569,032	1,774,031	-	-
		23,645,888	10,806,506	47,600,960	27,395,765

21 Creditors: amounts falling due after more than one year

		Group		Company	
		2020	2019	2020	2019
	Notes	£	£	£	£
Obligations under finance leases	22	4,270,708	5,886,856	612	24,146
Accruals and deferred income		400,000	-	-	-
		4,670,708	5,886,856	612	24,146

22 Finance lease obligations

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Future minimum lease payments due under finance leases:				
Within one year	3,653,533	1,958,470	7,342	258,120
In two to five years	3,879,048	5,886,856	612	24,146
In over five years	391,660	-	-	-
	7,924,241	7,845,326	7,954	282,266

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 3.7 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

23 Deferred taxation

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

	Liabilities	Liabilities
	2020	2019
Group	£	£
Accelerated capital allowances	343,139	300,279
Other timing differences	-	(1,208)
	343,139	299,071

The company has no deferred tax assets or liabilities.

	Group	Company
	2020	2020
Movements in the year:	£	£
Liability at 1 January 2020	299,071	-
Charge to profit or loss	44,068	-
Liability at 31 December 2020	343,139	-

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.

24 Retirement benefit schemes

	2020	2019
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	314,318	163,576

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.

25 Provisions for liabilities

		Group		Company	
		2020	2019	2020	2019
	Notes	£	£	£	£
Operating provisions		64,129,242	48,769,142	-	-
Deferred tax liabilities	23	343,139	299,071	-	-
		64,472,381	49,068,213	-	-

25 Provisions for liabilities **(Continued)**

Movements on provisions apart from deferred tax liabilities:

Group	Operating provisions £
At 1 January 2020	48,769,142
Reversal of provision	(5,230,795)
Unwinding of discount on restoration costs	1,548,000
At 31 December 2020	64,129,242

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 6 the provision was reassessed in 2020 and 2019 and increased by £13.8m and reduced by £5.2m retrospectively.

26 Share capital

	Group and company	
	2020	2019
Ordinary share capital	£	£
Issued and fully paid		
1 Ordinary shares of £1 each	1	1

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	
	2020	2019	2020	2019
	£	£	£	£
Within one year	10,116	9,285	-	-
Between two and five years	12,111	16,359	-	-
In over five years	1,332	-	-	-
	23,559	25,644	-	-

28 Controlling party

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

29 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.

30 Analysis of changes in net funds - group

	1 January 2020	Cash flows	New finance leases	31 December 2020
	£	£	£	£
Cash at bank and in hand	53,668,963	22,524,123	-	76,193,086
Obligations under finance leases	(7,845,326)	1,386,862	(1,465,777)	(7,924,241)
	45,823,637	23,910,985	(1,465,777)	68,268,845

31 Cash generated from group operations

	2020	2019
	£	£
(Loss)/profit for the year after tax	(9,846,500)	16,408,510
Adjustments for:		
Taxation (credited)/charged	(885,800)	4,058,215
Finance costs	1,844,090	1,920,332
Investment income	(58,709)	(184,279)
Loss on disposal of tangible fixed assets	1,540,767	-
Amortisation and impairment of intangible assets	120,875	120,801
Depreciation and impairment of tangible fixed assets	8,495,185	9,739,190
Increase/(decrease) in provisions	13,812,100	(5,230,795)
Deferred stripping	600,000	2,223,787
Movements in working capital:		
Decrease/(increase) in stocks	691,666	(203,806)
Decrease/(increase) in debtors	4,365,779	(3,956,291)
Increase/(decrease) in creditors	11,228,940	(12,711,804)
Cash generated from operations	31,908,393	12,183,860