

COMPANY REGISTRATION NO. 08936878 (England and Wales)

GWENT INVESTMENTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2016

GWENT INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	Mr D S Lewis Mr L Jones	(Appointed 23 March 2016) (Appointed 2 June 2018)
Company number	08936878	
Registered office	Llanover House Llanover Road Pontypridd Rhonda Cynon Taff CF37 4DY	
Auditor	UHY Hacker Young Lanyon House Mission Court Newport South Wales United Kingdom NP20 2DW	

GWENT INVESTMENTS LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 4
Statement of comprehensive income	5
Balance sheet	6
Statement of changes in equity	7
Notes to the financial statements	8 - 19

GWENT INVESTMENTS LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2016**

The directors present their annual report and financial statements for the Period ended 31 December 2016.

Principal activities

The principal activity of the company continued to be that of an investment company.

Acquisition

On 7th January 2016 the company acquired 100% of the share capital of Blackstone (Holdings) Limited, formerly Miller Argent (Holdings) Limited.

The initial consideration was £9.8m which was paid on completion: acquisition costs were £164,484. The sale and purchase agreement provided for additional deferred consideration based on a number of circumstances including inter alia average coal prices exceeding an agreed sum. The company has provided for £10.0m of deferred consideration payable over the life of the mine; the company has therefore recognised a total cost of investment of £20.0m (refer to note 10 of these financial statements).

Parent Company

On 12 April 2016, the company's share capital was acquired by Gwent Holdings Limited via a share for share exchange.

Directors

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

Mr A M Mahoney	(Resigned 16 August 2016)
Mr D S Lewis	(Appointed 23 March 2016)
Mr A J Lewis	(Resigned 26 May 2016)
Mrs J H Lewis	(Appointed 15 April 2016 and resigned 1 June 2018)
Mr L Jones	(Appointed 2 June 2018)

Results and dividends

The results for the Period are set out on page 5.

Ordinary dividends were paid amounting to £9,078,895. The directors do not recommend payment of a further dividend.

Auditor

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

GWENT INVESTMENTS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2016**

Statement of directors' responsibilities

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

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 company's auditor 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 company's auditor is aware of that information.

On behalf of the board

Mr D S Lewis

Director

22 June 2018

GWENT INVESTMENTS LIMITED

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF GWENT INVESTMENTS LIMITED**

We have audited the financial statements of Gwent Investments Limited for the Period ended 31 December 2016 set out on pages 5 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the Period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, based on the work undertaken in the course of our audit, the information given in the Directors' Report for the financial Period for which the financial statements are prepared is consistent with the financial statements,

GWENT INVESTMENTS LIMITED

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBER OF GWENT INVESTMENTS LIMITED**

Matters on which we are required to report by exception

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

In respect solely of the limitation on our work relating to investments, described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit;
and
- we were unable to determine whether adequate accounting records had been kept.

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made.

We have nothing to report in respect of these matters.

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

22 June 2018

**Chartered Accountants
Statutory Auditor**

Lanyon House
Mission Court
Newport
South Wales
United Kingdom
NP20 2DW

GWENT INVESTMENTS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2016**

		Year ended 31 December 2016 £	Period ended 31 December 2015 £
Administrative expenses	Notes	(122,538)	(20,850)
Interest receivable and similar income	4	9,281,623	-
Interest payable and similar expenses	5	(207,079)	(362)
Profit/(loss) before taxation		<u>8,952,006</u>	<u>(21,212)</u>
Tax on profit/(loss)	6	452	(3,279)
Profit/(loss) for the financial Period		<u><u>8,952,458</u></u>	<u><u>(24,491)</u></u>

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

GWENT INVESTMENTS LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2016**

		2016		2015	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8		124,461		22,879
Investment properties	9		701,710		375,000
Investments	10		19,964,484		-
			<u>20,790,655</u>		<u>397,879</u>
Current assets					
Stocks	12	273,178		211,425	
Debtors	13	34,243		316,142	
Cash at bank and in hand		21,505		1,817,438	
		<u>328,926</u>		<u>2,345,005</u>	
Creditors: amounts falling due within one year	14	<u>(8,971,775)</u>		<u>(812,715)</u>	
Net current (liabilities)/assets			<u>(8,642,849)</u>		<u>1,532,290</u>
Total assets less current liabilities			12,147,806		1,930,169
Creditors: amounts falling due after more than one year	15		(10,344,526)		-
Provisions for liabilities	18		<u>(2,827)</u>		<u>(3,279)</u>
Net assets			<u>1,800,453</u>		<u>1,926,890</u>
Capital and reserves					
Called up share capital	20		1,800,001		1,800,001
Profit and loss reserves			452		126,889
Total equity			<u>1,800,453</u>		<u>1,926,890</u>

The financial statements were approved by the board of directors and authorised for issue on 22 June 2018 and are signed on its behalf by:

Mr D S Lewis
Director

Company Registration No. 08936878

GWENT INVESTMENTS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2016**

	Share capital	Profit and loss reserves	Total
Notes	£	£	£
Balance at 1 April 2015	1	151,380	151,381
Period ended 31 December 2015:			
Loss and total comprehensive income for the period	-	(24,491)	(24,491)
Issue of share capital	20	1,800,000	1,800,000
		<hr/>	<hr/>
Balance at 31 December 2015		1,800,001	1,926,890
Period ended 31 December 2016:			
Profit and total comprehensive income for the period	-	8,952,458	8,952,458
Dividends	7	(9,078,895)	(9,078,895)
		<hr/>	<hr/>
Balance at 31 December 2016		1,800,001	1,800,453
		<hr/> <hr/>	<hr/> <hr/>

GWENT INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Gwent Investments Limited is a private company limited by shares incorporated in England and Wales. The registered office is Llanover House, Llanover Road, Pontypridd, Rhonda Cynon Taff, CF37 4DY.

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 £1.

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

These financial statements for the Period ended 31 December 2016 are the first financial statements of Gwent Investments Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

This 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:

- 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.

The financial statements of the company are consolidated in the financial statements of Gwent Holdings Limited. These consolidated financial statements are available from its registered office, C/O UHY Hacker Young, Lanyon House, Mission Court, Newport, Wales, NP20 2DW.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Gwent Investments Limited is a wholly owned subsidiary of Gwent Holdings Limited and the results of Gwent Investments Limited are included in the consolidated financial statements of Gwent Holdings Limited which are available from the registered office at Llanover House, Llanover Road, Pontypridd, Rhonda Cynon Taff, CF37 4DY.

GWENT INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2016**

1 Accounting policies **(Continued)**

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company 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.

1.3 Reporting period

In the prior year the accounting period was shortened to 31 December from 31 March. The reason for this change was in anticipation of the acquisition of Miller Argent Holdings Limited and to align the accounting periods of the future group companies. As a result, the prior year financial information is for a 9 month period and therefore the comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

1.4 Tangible fixed assets

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

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

Plant and machinery	15% on cost
Computer equipment	33% on cost
Motor vehicles	25% on cost

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 credited or charged to profit or loss.

1.5 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. The surplus or deficit on revaluation is recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.6 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. In respect of work in progress, cost includes a relevant proportion of overheads according to the stage of completion.

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.

GWENT INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2016**

1 Accounting policies **(Continued)**

1.8 Cash at bank and in hand

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

1.9 Financial instruments

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

Other financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

GWENT INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2016**

1 Accounting policies

(Continued)

Other financial liabilities

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

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

Derecognition of financial liabilities

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

1.10 Equity instruments

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

1.11 Taxation

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

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 company'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.

1.12 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 the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

GWENT INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2016**

2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

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.

Value of investment in Blackstone

The value of the investment in Blackstone (Holdings) Limited and its trading subsidiary, Blackstone (South Wales) Limited includes an estimate of the contingent consideration payable in future years dependent upon sales prices achieved by and other events affecting the business acquired. The estimation requires assumptions on future sales prices and volumes as well as assumptions regarding other future events, refer to note 10 for more information.

3 Operating loss

	2016	2015
	£	£
Operating loss for the period is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	16,385	2,875
Depreciation of tangible fixed assets held under finance leases	6,683	2,368
Profit on disposal of tangible fixed assets	(7,763)	(4,000)
	<u> </u>	<u> </u>

4 Interest receivable and similar income

	2016	2015
	£	£
Income from fixed asset investments		
Income from shares in group undertakings	9,281,623	-
	<u> </u>	<u> </u>

5 Interest payable and similar expenses

	2016	2015
	£	£
Interest on bank overdrafts and loans	206,433	-
Interest on finance leases and hire purchase contracts	646	362
	<u> </u>	<u> </u>
	<u>207,079</u>	<u>362</u>

GWENT INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2016**

6 Taxation

	2016	2015
	£	£
Deferred tax		
Origination and reversal of timing differences	(452)	3,279
	<u> </u>	<u> </u>

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

	2016	2015
	£	£
Profit/(loss) before taxation	8,952,006	(21,212)
	<u> </u>	<u> </u>
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	1,790,401	(4,242)
Tax effect of expenses that are not deductible in determining taxable profit	3,531	-
Tax effect of income not taxable in determining taxable profit	(1,856,324)	-
Unutilised tax losses carried forward	61,940	(4,898)
Deferred tax adjustments in respect of prior years	-	12,419
	<u> </u>	<u> </u>
Taxation (credit)/charge for the period	(452)	3,279
	<u> </u>	<u> </u>

7 Dividends

	2016	2015
	£	£
Final paid	9,078,895	-
	<u> </u>	<u> </u>

GWENT INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2016**

8 Tangible fixed assets

	Plant and machinery	Compute equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2016	13,000	-	20,163	33,163
Additions	28,300	3,429	97,158	128,887
Disposals	-	-	(7,532)	(7,532)
At 31 December 2016	<u>41,300</u>	<u>3,429</u>	<u>109,789</u>	<u>154,518</u>
Depreciation and impairment				
At 1 January 2016	1,463	-	8,821	10,284
Depreciation charged in the Period	4,426	263	18,379	23,068
Eliminated in respect of disposals	-	-	(3,295)	(3,295)
At 31 December 2016	<u>5,889</u>	<u>263</u>	<u>23,905</u>	<u>30,057</u>
Carrying amount				
At 31 December 2016	<u>35,411</u>	<u>3,166</u>	<u>85,884</u>	<u>124,461</u>
At 31 December 2015	<u>11,537</u>	<u>-</u>	<u>11,342</u>	<u>22,879</u>

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

	2016	2015
	£	£
Motor vehicles	<u>33,416</u>	<u>7,104</u>
Depreciation charge for the Period in respect of leased assets	<u>6,683</u>	<u>2,368</u>

9 Investment property

	2016
	£
Fair value	
At 1 January 2016	375,000
Additions through external acquisition	326,710
At 31 December 2016	<u>701,710</u>

Investment property comprises Freehold properties held for capital appreciation. The fair value of the investment property is not considered to be different to its historical cost, no revaluation has been considered necessary during the period.

GWENT INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2016**

9 Investment property (Continued)

	2016	2015
	£	£
Freehold	701,710	375,000

10 Fixed asset investments

	Notes	2016	2015
		£	£
Investments in subsidiaries	11	19,964,484	-

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 January 2016	-
Additions	19,964,484
At 31 December 2016	19,964,484
Carrying amount	
At 31 December 2016	19,964,484
At 31 December 2015	-

During the year the company purchased 100% of the share capital in Blackstone Holdings Limited (formerly Miller Argent Holdings Limited, the parent company of Blackstone (South Wales) Limited, formerly Miller Argent (South Wales) Limited). The cost of investment includes the amount paid on completion of £9.8m plus the associated legal and consultancy costs of the purchase plus the board's best estimate of deferred contingent consideration payable over the life of the mine of £10.0m.

GWENT INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2016**

11 Subsidiaries

Details of the company's subsidiaries at 31 December 2016 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Blackstone (Holdings) Limited	England & Wales	Holding company of an open land mine facility	Ordinary	100.00	-
Blackstone (South Wales) Limited	England & Wales	Open land mine facility	Ordinary	0	100.00
Blackstone (Nominee No. 1) Limited	England & Wales	Dormant Company	Ordinary	0	100.00
Ffos-y-Fran (Commoners) Limited	England & Wales	Dormant Company	Ordinary	0	100.00
Blackstone (Ffos-y-Fran) Limited	England & Wales	Dormant Company	Ordinary	0	100.00

12 Stocks

	2016 £	2015 £
Work in progress	273,178	211,425

13 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Other debtors	34,243	-
Prepayments and accrued income	-	316,142
	<u>34,243</u>	<u>316,142</u>

14 Creditors: amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	4,025,000	-
Obligations under finance leases	6,832	650
Trade creditors	56,206	331,348
Amounts due to group undertakings	4,825,098	-
Corporation tax	34,842	34,842
Other taxation and social security	3,716	7,274
Other creditors	15,481	434,001
Accruals and deferred income	4,600	4,600
	<u>8,971,775</u>	<u>812,715</u>

GWENT INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2016**

15 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Bank loans and overdrafts	16	335,417	-
Obligations under finance leases	17	9,109	-
Other creditors		10,000,000	-
		<u>10,344,526</u>	<u>-</u>

Other creditors relates to the deferred contingent consideration in relation to the acquisition of Miller Argent (Holdings) Limited, refer to note 10.

16 Loans and overdrafts

	2016 £	2015 £
Bank loans	4,360,417	-
	<u>4,360,417</u>	<u>-</u>
Payable within one year	4,025,000	-
Payable after one year	335,417	-
	<u>4,360,417</u>	<u>-</u>

The long-term loans are secured by fixed charges over the Tangible fixed assets held in Blackstone (South Wales) Limited.

The loan is subject to a variable interest rate which is currently 2.25% per annum above 0.5% Base rate. Interest is calculated on the daily total of the then outstanding balance of the Loan (including any outstanding finance charge).

17 Finance lease obligations

	2016 £	2015 £
Future minimum lease payments due under finance leases:		
Within one year	6,832	650
In two to five years	9,109	-
	<u>15,941</u>	<u>650</u>

Finance lease payments represent rentals payable by the company for motor vehicles. 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 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

GWENT INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2016**

18 Provisions for liabilities

	Notes	2016 £	2015 £
Deferred tax liabilities	19	2,827	3,279

19 Deferred taxation

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

	Liabilities 2016 £	Liabilities 2015 £
Balances:		
Accelerated capital allowances	3,279	3,279
Statutory database figures differ from the trial balance:		
Deferred tax balances	2,827	3,279
Difference	452	-
Movements in the Period:		2016 £
Liability at 1 January 2016		3,279
Credit to profit or loss		(452)
Liability at 31 December 2016		2,827

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.

20 Share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
1,800,001 Ordinary of £1 each	1,800,001	1,800,001

GWENT INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2016**

21 Directors' transactions

Description	% Rate	Opening balance	Amounts advanced	Amounts repaid	Closing balance
		£	£	£	£
Loan Account	-	(434,001)	2,063,577	(1,880,000)	(250,424)
		<u>(434,001)</u>	<u>2,063,577</u>	<u>(1,880,000)</u>	<u>(250,424)</u>
		<u><u>(434,001)</u></u>	<u><u>2,063,577</u></u>	<u><u>(1,880,000)</u></u>	<u><u>(250,424)</u></u>

22 Parent company and controlling party

The ultimate parent company is Gwent Holdings Limited.

The largest and smallest publicly available consolidated financial statements to include the company are those of Gwent Holdings Limited. Copies of the Gwent Holdings Limited. Consolidated financial statements are available from C/O UHY Hacker Young, Lanyon House, Mission Court, Newport, Wales, NP20 2DW.

The ultimate controlling party is Mrs J H Lewis.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.