

**COMPANY REGISTRATION NO. 08936878 (England and Wales)**

**GWENT INVESTMENTS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**GWENT INVESTMENTS LIMITED**

**COMPANY INFORMATION**

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

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**GWENT INVESTMENTS LIMITED**

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**GWENT INVESTMENTS LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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The directors present their annual report and financial statements for the year ended 31 December 2017.

**Principal activities**

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

**Directors**

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

Mr D S Lewis

Mrs J H Lewis

Mr L Jones

(Resigned 1 June 2018)

(Appointed 2 June 2018)

**Results and dividends**

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

Ordinary dividends were paid amounting to £15,000,000 (2016: £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.

**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**

28 May 2020

**GWENT INVESTMENTS LIMITED**

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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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.

**GWENT INVESTMENTS LIMITED**

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

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**Opinion**

We have audited the financial statements of Gwent Investments Limited (the 'company') for the year ended 31 December 2017 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**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 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**GWENT INVESTMENTS LIMITED**

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

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**Matters on which we are required to report by exception**

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.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

**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 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 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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 member 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 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**

28 May 2020

**Chartered Accountants  
Statutory Auditor**

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

**GWENT INVESTMENTS LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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		2017	2016
	Notes	£	£
Cost of sales		(359,506)	-
Administrative expenses		(79,905)	(122,538)
<b>Operating loss</b>	<b>3</b>	(439,411)	(122,538)
Interest receivable and similar income	<b>4</b>	17,985,000	9,281,623
Interest payable and similar expenses	<b>5</b>	(91,087)	(207,079)
<b>Profit before taxation</b>		17,454,502	8,952,006
Tax on profit	<b>6</b>	-	452
<b>Profit for the financial year</b>		17,454,502	8,952,458

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 2017**

		2017		2016	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8		92,802		124,461
Investment properties	9		-		701,710
Investments	10		20,964,484		19,964,484
			<u>21,057,286</u>		<u>20,790,655</u>
<b>Current assets</b>					
Stocks	12		-		273,178
Debtors	13		12,479,366		34,243
Cash at bank and in hand			10,394		21,505
			<u>12,489,760</u>		<u>328,926</u>
<b>Creditors: amounts falling due within one year</b>	14		<u>(18,286,987)</u>		<u>(8,971,775)</u>
<b>Net current liabilities</b>			<u>(5,797,227)</u>		<u>(8,642,849)</u>
<b>Total assets less current liabilities</b>			<u>15,260,059</u>		<u>12,147,806</u>
<b>Creditors: amounts falling due after more than one year</b>	15		<u>(11,002,277)</u>		<u>(10,344,526)</u>
<b>Provisions for liabilities</b>	18		<u>(2,827)</u>		<u>(2,827)</u>
<b>Net assets</b>			<u>4,254,955</u>		<u>1,800,453</u>
<b>Capital and reserves</b>					
Called up share capital	20		1,800,001		1,800,001
Profit and loss reserves			2,454,954		452
<b>Total equity</b>			<u>4,254,955</u>		<u>1,800,453</u>

The financial statements were approved by the board of directors and authorised for issue on 28 May 2020 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 YEAR ENDED 31 DECEMBER 2017**

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	Share capital	Profit and loss reserves	Total
	£	£	£
<b>Balance at 1 January 2016</b>	1,800,001	126,889	1,926,890
<b>Period ended 31 December 2016:</b>			
Profit and total comprehensive income for the period	-	8,952,458	8,952,458
Dividends	7	-	(9,078,895)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2016</b>	1,800,001	452	1,800,453
<b>Year ended 31 December 2017:</b>			
Profit and total comprehensive income for the year	-	17,454,502	17,454,502
Dividends	7	-	(15,000,000)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2017</b>	<u>1,800,001</u>	<u>2,454,954</u>	<u>4,254,955</u>

## **GWENT INVESTMENTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

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#### **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.

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.

##### **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 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.

**GWENT INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**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:

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.

**1.4 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.

**1.5 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.

**1.6 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.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

**1.7 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.

**GWENT INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**1 Accounting policies** **(Continued)**

**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.

**1.8 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.

**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.

**3 Operating loss**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Operating loss for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	22,995	16,385
Depreciation of tangible fixed assets held under finance leases	12,124	6,683
Profit on disposal of tangible fixed assets	-	(7,763)
Cost of stocks recognised as an expense	359,506	-
	<u>                    </u>	<u>                    </u>

**4 Interest receivable and similar income**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Income from fixed asset investments</b>		
Income from shares in group undertakings	17,985,000	9,281,623
	<u>                    </u>	<u>                    </u>

**GWENT INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**5 Interest payable and similar expenses**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Interest on bank overdrafts and loans	90,267	206,433
Interest on finance leases and hire purchase contracts	820	646
	<u>91,087</u>	<u>207,079</u>
	<u><u>91,087</u></u>	<u><u>207,079</u></u>

**GWENT INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**6 Taxation**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	(452)

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Profit before taxation	17,454,502	8,952,006
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	3,490,900	1,790,401
Tax effect of expenses that are not deductible in determining taxable profit	-	3,531
Tax effect of income not taxable in determining taxable profit	(3,572,747)	(1,856,324)
Unutilised tax losses carried forward	81,847	61,940
Taxation charge/(credit) for the year	-	(452)

**7 Dividends**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Final paid	15,000,000	9,078,895

**GWENT INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

<b>8 Tangible fixed assets</b>	<b>Plant and machinery</b>	<b>Compute equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 1 January 2017	41,300	3,429	109,789	154,518
Additions	3,460	-	-	3,460
At 31 December 2017	<u>44,760</u>	<u>3,429</u>	<u>109,789</u>	<u>157,978</u>
<b>Depreciation and impairment</b>				
At 1 January 2017	5,889	263	23,905	30,057
Depreciation charged in the year	6,541	1,131	27,447	35,119
At 31 December 2017	<u>12,430</u>	<u>1,394</u>	<u>51,352</u>	<u>65,176</u>
<b>Carrying amount</b>				
At 31 December 2017	<u>32,330</u>	<u>2,035</u>	<u>58,437</u>	<u>92,802</u>
At 31 December 2016	<u>35,411</u>	<u>3,166</u>	<u>85,884</u>	<u>124,461</u>

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Motor vehicles	<u>28,289</u>	<u>33,416</u>

<b>9 Investment property</b>	<b>2017</b>
	<b>£</b>
<b>Fair value</b>	
At 1 January 2017	701,710
Disposals	(701,710)
At 31 December 2017	<u>-</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. During the year all investment properties were transferred to the parent company, Gwent Holdings Limited.

The carrying value of land and buildings comprises:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Freehold	<u>-</u>	<u>701,710</u>



**GWENT INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**10 Fixed asset investments**

	Notes	2017 £	2016 £
Investments in subsidiaries	11	20,964,484	19,964,484

**Movements in fixed asset investments**

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 January 2017	19,964,484
Additions	1,000,000
At 31 December 2017	20,964,484
<b>Carrying amount</b>	
At 31 December 2017	20,964,484
At 31 December 2016	19,964,484

The addition relates to additional consideration of £1.0m agreed in July 2018 in relation to the company's acquisition of Merthyr (Holdings) Limited (formerly Miller Argent (Holdings) Limited and its subsidiary Merthyr (South Wales) Limited (formerly Miller Argent (South Wales) Limited).

The acquisition happened on 7th January 2016; the consideration included a contingent element based on future operating performance; during the period following the acquisition the terms of the contingent consideration were re-negotiated and in July 2018 the parties agreed on a figure of £11.0m being the final settlement, bringing the total consideration to £20.8m. Acquisition costs of £164,484 were capitalised.

**11 Subsidiaries**

Details of the company's subsidiaries at 31 December 2017 are as follows:

Name of undertaking	Class of shares held	% Held	
		Direct	Indirect
Merthyr (Ffos-y-Fran) Limited (previously Blackstone (Ffos-y-Fran) Limited)	Ordinary	0	100.00
Merthyr Holdings Limited (previously Blackstone Holdings Limited)	Ordinary	100.00	0
Merthyr (Nominee No. 1) Limited (previously Blackstone (Nominee No.1) Limited)	Ordinary	0	100.00
Merthyr (South Wales) Limited (previously Blackstone (South Wales) Limited)	Ordinary	0	100.00
Ffos-y-Fran (Commoners) Limited	Ordinary	0	100.00

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

**GWENT INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**12 Stocks**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Work in progress	-	273,178
	<u>          </u>	<u>          </u>

**13 Debtors**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	11,675,614	-
Other debtors	803,752	34,243
	<u>          </u>	<u>          </u>
	<u>12,479,366</u>	<u>34,243</u>

**14 Creditors: amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
	<b>Notes</b>	
Bank loans	<b>16</b>	335,417
Obligations under finance leases	<b>17</b>	29,604
Trade creditors		53,661
Amounts owed to group undertakings		17,825,147
Corporation tax		34,842
Other taxation and social security		3,716
Other creditors		-
Accruals and deferred income		4,600
		<u>          </u>
		<u>18,286,987</u>
		<u>8,971,775</u>

**15 Creditors: amounts falling due after more than one year**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
	<b>Notes</b>	
Bank loans and overdrafts	<b>16</b>	-
Obligations under finance leases	<b>17</b>	2,277
Other creditors		11,000,000
		<u>          </u>
		<u>11,002,277</u>
		<u>10,344,526</u>

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

**GWENT INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**16 Loans and overdrafts**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Bank loans	335,417	4,360,417
Payable within one year	335,417	4,025,000
Payable after one year	-	335,417

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**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Future minimum lease payments due under finance leases:		
Within one year	29,604	6,832
In two to five years	2,277	9,109
	31,881	15,941

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.

**18 Provisions for liabilities**

		<b>2017</b>	<b>2016</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
Deferred tax liabilities	<b>19</b>	2,827	2,827

**GWENT INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**19 Deferred taxation**

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

	<b>Liabilities 2017</b>	<b>Liabilities 2016</b>
<b>Balances:</b>	<b>£</b>	<b>£</b>
Accelerated capital allowances	2,827	3,279
	<u>2,827</u>	<u>3,279</u>
<b>Statutory database figures differ from the trial balance:</b>		
Deferred tax balances	2,827	2,827
Difference	-	452

There were no deferred tax movements in the year.

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**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
1,800,001 Ordinary of £1 each	1,800,001	1,800,001
	<u>1,800,001</u>	<u>1,800,001</u>

**21 Related party transactions**

At the year end, a balance due from Merthyr (South Wales) Limited, a fellow subsidiary within the group, totalling £ 8,690,614 (2016: £nil)

During the year ending 31 December 2017, the company received dividends from Merthyr Holdings Limited totalling £ 15,000,000 (2016: £9,281,623). At the year end, a balance due from Merthyr Holdings Limited was outstanding totalling £ 2,985,000 (2016: £nil). Merthyr Holdings Limited is the immediate parent company.

During the year ending 31 December 2017, the company paid dividends to Gwent Holdings Limited totalling £15,000,000 (2016: £9,281,623). At the year end, a balance was due to Gwent Holdings Limited of £17,825,147 (2016: £nil) Gwent Holdings Limited is the intermediate parent company.

The company has taken advantage of the exemption not to disclose transactions with related parties being a wholly owned member of a group. Consolidated accounts of the ultimate parent company, Gwent Holdings Limited are available on request.

**22 Directors' transactions**

Dividends totalling £0 (2016 - £0) were paid in the year in respect of shares held by the company's directors.

**GWENT INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**23 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 UIY 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.