

Company registration number 05110139 (England and Wales)

CELTIC MINING GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

CELTIC MINING GROUP LIMITED

COMPANY INFORMATION

Director	Mr R Walters
Company number	05110139
Registered office	Avalon House 5-7 Cathedral Road Cardiff CF11 9HA
Auditor	UHY Hacker Young Bradbury House Mission Court Newport Gwent United Kingdom NP20 2DW

CELTIC MINING GROUP LIMITED

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CELTIC MINING GROUP LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2024

The director presents the strategic report for the year ended 31 March 2024.

Fair review of the business

Celtic Mining Group Limited group ("the group") owned and operated opencast mines in South Wales until the group's main trading company, Celtic Energy Limited ceased trading on 31 December 2022 when all coal stocks had been sold.

The group's activities now consist of managing a portfolio of investment properties and investments in subsidiary entity Avalon Glen.

The directors continually monitor investment returns and seek new investment opportunities to maximise returns. Return on investments is the key measure of operating performance.

The company achieved a yield of 5% on its investment properties.

The fair value of the investment portfolio increased by £3.4m (note 11), approximately 10%.

Principal risks and uncertainties

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

The group's activities expose it primarily to the financial risk of changes in interest rates. The group manages this risk by monitoring short and long term deposits.

Credit risk

The group's principle financial assets are bank balances and cash, trade and other receivables, and investments.

The group's credit risk is primarily attributable to its trade and other receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables.

The group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

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 and short-term debt finance.

Future Prospects

In order to complete the buy out of the IWCSSS pension scheme and thus guarantee future payments to pensioners and future pensioners, it is a legal requirement of the IWCSSS scheme that Celtic Energy Limited is first placed in voluntary members liquidation. To allow this to happen it will be necessary for all current liabilities to be discharged or transferred to other group companies and for assets to be similarly relocated to other group companies.

The commercial and residential property activities will continue within the group and form the basis of future business activity going forward.

CELTIC MINING GROUP LIMITED
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Going concern

The group has now sold the remaining coal extracted and Celtic Energy Limited ceased trading on 31 December 2022; as noted above, in order to complete the buy-out of the pension scheme Celtic Energy Limited will have to be placed in to members voluntary liquidation.

As noted above, commercial and residential property activities will continue within the group and will form the basis of future business activity going forward.

The directors have updated the group's cashflow projections for the foreseeable future (being at least 12 months from the date of approval of these financial statements),

At the time of approving the financial statements, the director has a reasonable expectation that the company and the group have adequate resources to meet debts as they fall due for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

On behalf of the board

Mr R Walters
Director

17 December 2024

CELTIC MINING GROUP LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2024**

The director presents his annual report and financial statements for the year ended 31 March 2024.

Principal activities

The principal activity of the company continued to be that of a holding company for the group.

The principal activity of the group during the year was that of managing property and investment portfolios following the cessation of its coal operations in the prior year.

Results and dividends

The results for the year are set out on page 8.

Director

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

Mr R Walters

Mr M E R Llewellyn

DHM Consultancy Limited

(Resigned 6 February 2024)

(Resigned 6 February 2024)

Post reporting date events

Post year end on 10 May 2024, the group sold plant and machinery generating a profit on disposal of £1,175,000.

Auditor

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

Statement of 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.

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board

Mr R Walters

Director

17 December 2024

CELTIC MINING GROUP LIMITED

**DIRECTOR'S RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

CELTIC MINING GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CELTIC MINING GROUP LIMITED

Opinion

We have audited the financial statements of Celtic Mining Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2024 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 March 2024 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 director 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 director is 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

CELTIC MINING GROUP LIMITED

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF CELTIC MINING GROUP LIMITED**

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 director's 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 director

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines 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 director is 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 director either intends to liquidate the parent company or to cease operations, or has 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 and ISO standards;
- 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.

CELTIC MINING GROUP LIMITED

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF CELTIC MINING GROUP LIMITED**

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 John Griffiths (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young

17 December 2024

Chartered Accountants
Statutory Auditor

Newport
Gwent
United Kingdom

CELTIC MINING GROUP LIMITED
GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	£'000	2024 £'000	£'000	2023 £'000
Turnover	3		1,447		20,520
Cost of sales:					
Exceptional movement in operating provisions	7	-		(2,410)	
Other cost of sales		(346)		(5,495)	
Total cost of sales		<u>(346)</u>	<u>(346)</u>	<u>(7,905)</u>	<u>(7,905)</u>
Gross profit			1,101		12,615
Exceptional income/(expenses)	7	-		824	
Other administrative expenses		(639)		(4,586)	
Total administrative expenses		<u>(639)</u>	<u>(639)</u>	<u>(3,762)</u>	<u>(3,762)</u>
Other operating income			-		1,084
Operating profit	4		462		9,937
Interest receivable and similar income	8		1,222		1,337
Interest payable and similar expenses	9		(57)		(83)
Fair value gains and losses on investments	11		3,350		(242)
Fair value gains and losses on investment properties	14		-		1,525
Profit before taxation			4,977		12,474
Tax on profit	10		(19)		1,106
Profit for the financial year			<u>4,958</u>		<u>13,580</u>

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

CELTIC MINING GROUP LIMITED

**GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024**

	2024	2023
	£'000	£'000
Profit for the year	4,958	13,580
Other comprehensive income	-	-
Total comprehensive income for the year	<u>4,958</u>	<u>13,580</u>

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

CELTIC MINING GROUP LIMITED

**GROUP BALANCE SHEET
AS AT 31 MARCH 2024**

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	13		2,655		3,035
Investment property	14		26,983		25,216
			<u>29,638</u>		<u>28,251</u>
Current assets					
Debtors	17	9,809		9,027	
Investments	18	39,535		28,741	
Cash at bank and in hand		15,165		23,934	
		<u>64,509</u>		<u>61,702</u>	
Creditors: amounts falling due within one year	19	(585)		(780)	
		<u>63,924</u>		<u>60,922</u>	
Net current assets			63,924		60,922
Total assets less current liabilities			<u>93,562</u>		<u>89,173</u>
Provisions for liabilities					
Provisions	20	3,038		3,631	
		<u>(3,038)</u>		<u>(3,631)</u>	
Net assets excluding pension liability			90,524		85,542
Defined benefit pension liability			(582)		(558)
			<u>89,942</u>		<u>84,984</u>
Net assets			<u><u>89,942</u></u>		<u><u>84,984</u></u>
Capital and reserves					
Called up share capital	22		-		-
Revaluation reserve			4,840		4,904
Profit and loss reserves			85,102		80,080
			<u>89,942</u>		<u>84,984</u>
Total equity			<u><u>89,942</u></u>		<u><u>84,984</u></u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized groups.

The financial statements were approved by the board of directors and authorised for issue on 17 December 2024 and are signed on its behalf by:

Mr R Walters
Director

Company registration number 05110139 (England and Wales)

CELTIC MINING GROUP LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 £'000	£'000	2023 £'000	£'000
			==		==
Called up share capital	22		-		-
			==		==

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £0 (2023: £45,581,000 profit).

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 17 December 2024 and are signed on its behalf by:

Mr R Walters
Director

Company registration number 05110139 (England and Wales)

CELTIC MINING GROUP LIMITED

**GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024**

	Revaluation reserve £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 April 2022	3,158	68,246	71,404
Year ended 31 March 2023:			
Profit and total comprehensive income for the year	-	13,580	13,580
Transfers	1,746	(1,746)	-
Balance at 31 March 2023	4,904	80,080	84,984
Year ended 31 March 2024:			
Profit and total comprehensive income for the year	-	4,958	4,958
Transfer of surplus on fair value of investment property	(64)	64	-
Balance at 31 March 2024	4,840	85,102	89,942

The revaluation reserve represents the cumulative effect of revaluations of freehold and leasehold land and buildings and investment property.

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

CELTIC MINING GROUP LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

	Profit and loss reserves £'000
Balance at 1 April 2022	(45,581)
Year ended 31 March 2023:	
Profit and total comprehensive income for the year	45,581
Balance at 31 March 2023	-
Year ended 31 March 2024:	
Profit and total comprehensive income for the year	-
Balance at 31 March 2024	-

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

CELTIC MINING GROUP LIMITED

**GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024**

	Notes	2024 £'000	2023 £'000
Cash flows from operating activities			
Cash (absorbed by)/generated from operations	27	(1,158)	4,797
Interest paid		(57)	-
Income taxes paid		-	(1,165)
Net cash (outflow)/inflow from operating activities		(1,215)	3,632
Investing activities			
Proceeds on disposal of tangible fixed assets		-	6,730
Purchase of investment property		(1,456)	(4,735)
Proceeds on disposal of investment property		124	152
Proceeds on disposal of associates		-	30
Purchase of fixed asset investments		(7,444)	-
Proceeds on disposal of fixed asset investments		-	(224)
Interest received		1,222	1,337
Net cash (used in)/generated from investing activities		(7,554)	3,290
Net (decrease)/increase in cash and cash equivalents		(8,769)	6,922
Cash and cash equivalents at beginning of year		23,934	17,012
Cash and cash equivalents at end of year		15,165	23,934

CELTIC MINING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Company information

Celtic Mining Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is Avalon House, 5-7 Cathedral Road, Cardiff, CF11 9HA.

The group consists of Celtic Mining Group 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 £'000.

The financial statements have been prepared under the historical cost convention, modified 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 the parent company of a group where 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.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £0 (2023: £45,581,000 profit).

1.2 Basis of consolidation

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

CELTIC MINING GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

1 Accounting policies **(Continued)**

The consolidated financial statements incorporate those of Celtic Mining Group 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).

All financial statements are made up to 31 March 2024. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

1.3 Going concern

As noted elsewhere in these financial statements, in order to complete the buy-out of the pension scheme Celtic Energy Limited will have to be placed in to members voluntary liquidation.

The commercial and residential property activities will continue within the group and will form the basis of future business activity going forward.

The directors have updated the group's cashflow projections for the foreseeable future (being at least 12 months from the date of approval of these financial statements),

At the time of approving the financial statements, the director has a reasonable expectation that the company and the group have adequate resources to meet debts as they fall due for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, 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 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:

Freehold land and buildings 2% per annum on buildings, land not depreciated

Assets in the course of construction are not depreciated.

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.

CELTIC MINING GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

1 Accounting policies **(Continued)**

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

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

Depreciation is not provided in respect of investment properties.

1.7 Fixed asset investments

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

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

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

1.8 Financial instruments

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

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

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

Basic financial assets

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

Other financial assets

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

CELTIC MINING GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

1 Accounting policies

(Continued)

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

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

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

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

Other financial liabilities

Derivatives, including swaps, 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.

Derecognition of financial liabilities

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

1.9 Taxation

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

CELTIC MINING GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

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.

1.10 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.

Restoration and rehabilitation

The total costs of reinstatement of soil excavation and of surface restoration are recognised as a provision on site commissioning when the obligation arises. The amount provided represents the present value of the expected future 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 and is included in fixed assets under opencast sites. This is amortised to the profit and loss account on a unit of production basis over the life of the site.

1.11 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.

CELTIC MINING GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

1 Accounting policies **(Continued)**

1.12 Retirement benefits

The company operates both a defined benefit scheme and defined contribution schemes.

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

The group's element of the defined benefit pension scheme effectively closed on 31 July 2020, when the last active member opted out. The Company's element of the scheme purchased annuities with Aviva which are qualifying insurance policies under FRS 102. The income from the policy exactly matches the amount and timing of the benefits payable to those members covered under the policy.

1.13 Leases

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

2 Judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

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

Going concern

As noted elsewhere in these financial statement, in order to complete the buy-out of the pension scheme Celtic Energy Limited will have to be placed in to members voluntary liquidation.

The commercial and residential property activities will continue within the group and will form the basis of future business activity going forward.

The directors have updated the group's cashflow projections for the foreseeable future (being at least 12 months from the date of approval of these financial statements),

At the time of approving the financial statements, the directors have a reasonable expectation that the company and the group have adequate resources to meet debts as they fall due for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Deferred tax asset

The group has an unrecognised deferred tax asset at the year end of £2,899,042 (2023: £3,253,512). The critical judgement relates to the group's ability to utilise the asset against future taxable profits. The board has recognised deferred tax assets to the extent that they expect to be able to utilise the asset. The board does not expect to be able to utilise the asset in the foreseeable future, therefore the board is satisfied that it's judgement to not recognise the asset is appropriate.

CELTIC MINING GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

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.

Operating provisions

Restoration of all former coaling sites operated by the company's subsidiary Celtic Energy Limited was complete or transferred to the purchaser of the former coal site land by 31 March 2023. The obligation for rehabilitation of the sites was transferred to other group company Avalon Glen. Rehabilitation provision is made based on management's best estimate of the net present value of the cashflows associated with fulfilling these obligations. These estimates include significant judgement. The rehabilitation works are expected to be carried out over a period spanning more than 5 years after the balance sheet date.

Management's best estimate of the present value of the company's rehabilitation obligations at 31 March 2024 as set out in note 20 is approximately £2.4 million.

Concessionary coal

The group has a commitment to provide concessionary fuel benefits to retired ex British Coal employees. At retirement upon attaining the age of 50, and having been employed for a minimum of 15 years, employees become entitled to a retirement fuel allowance. 23 former workers and widows are entitled to receive this benefit; 12 currently take this. The directors have made a provision of £0.7m (2023: £1.3m) being the best estimate of the present value of the group's obligation.

The present value of the obligation depends on a number of factors including life expectancy and the discount rate on corporate bonds. Management estimates these factors, in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends; however the choice of assumptions can have a significant impact on the balance recorded.

Defined benefit pension

The group operated a defined benefit pension scheme.

The scheme effectively closed on 31 July 2020; the scheme purchased annuities which are qualifying insurance policies. The income from the policies exactly match the amount and timing of all benefits payable to those members covered under the policy; further details are provided in note 21.

Investment properties

At 31 March 2024 the group held investment properties with a value of £26,983,000 (2023: £25,216,000). The group carries investment properties at fair value. Changes in the fair value of investment properties are recognised in profit or loss; a net fair value gain of £nil (2023: £1,525,000) has been recognised in the year. The valuations have been carried out by the board based on comparable market data and external professional valuations of a sample of the portfolio undertaken by an independent valuer. The key factors affecting the values are the anticipated yields and anticipated occupancy rates.

CELTIC MINING GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

3 Turnover and other revenue

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

	2024	2023
	£'000	£'000
Turnover analysed by class of business		
Sale of goods	-	20,520
Rental Income	1,447	-
	<u>1,447</u>	<u>20,520</u>
	<u><u>1,447</u></u>	<u><u>20,520</u></u>
Turnover analysed by geographical market		
United Kingdom	1,447	20,520
	<u>1,447</u>	<u>20,520</u>
	<u><u>1,447</u></u>	<u><u>20,520</u></u>
Other revenue		
Interest income	1,222	1,337
	<u>1,222</u>	<u>1,337</u>
	<u><u>1,222</u></u>	<u><u>1,337</u></u>

In prior years the group's main trading activity was the extraction and sale of coal, hence this was presented as group turnover. In the current year the main revenue comes from rental income; prior year rental income was presented as other operating income see note 4.

4 Operating profit

	2024	2023
	£'000	£'000
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	5	125
Profit on disposal of tangible fixed assets	(150)	(4,948)
(Profit)/loss on disposal of investment property	(332)	1
Operating lease charges	1	-
Rents receivable from property	-	(1,084)
Exceptional items (see note 7)	-	1,586
	<u>-</u>	<u>1,586</u>
	<u><u>-</u></u>	<u><u>1,586</u></u>

CELTIC MINING GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

5 Employees

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

	Group	2023	Company	2023
	2024	Number	2024	Number
	Number	Number	Number	Number
Mining operations	2	61	-	-
Technical support	3	1	-	-
Management and distribution	5	9	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	10	71	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	Group	2023	Company	2023
	2024	£'000	2024	£'000
	£'000	£'000	£'000	£'000
Wages and salaries	723	7,954	-	-
Social security costs	87	719	-	-
Pension costs	27	285	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	837	8,958	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

6 Director's remuneration

	2024	2023
	£'000	£'000
Remuneration for qualifying services	536	2,158
	<u> </u>	<u> </u>

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

	2024	2023
	£'000	£'000
Remuneration for qualifying services	536	1,146
	<u> </u>	<u> </u>

The number of directors to whom retirement benefits are accruing under defined benefit contribution schemes amounted to 1 (2023: 1).

CELTIC MINING GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

7	Exceptional costs/(income)	2022	2021
		£'000	£'000
	Exceptional costs included in cost of sales		
	Movement in operating provisions	-	2,410
		-----	-----
	Exceptional costs included in administrative expenses		
	Disposal of former operating sites	-	(4,085)
	Profit on disposal of fixed assets	-	(863)
	Redundancy costs	-	4,121
		-----	-----
		-	(824)
		-----	-----
	Total exceptional cost/(credit) included in operating profit	-	1,586
		=====	=====

Operating provisions

Restoration at Margam, Selar and East Pit was completed at 31 March 2022. In the prior year the board reassessed its estimate of the total cost of restoring Nant Helen and the cost of rehabilitation for all sites; this resulted in an increase in provision of £2.4 million. The increase was predominately due inflation including fuel costs.

In October 2022 land at Selar and Nant Helen was sold removing further obligations for restoration and rehabilitation.

Disposal of former operating sites

Land relating to former coaling sites at Selar and Nant Helen was sold for £5.4m in the prior year. Outstanding restoration and rehabilitation obligations relating to the land and the associated escrow funds were also transferred to the new owner; overall a profit on disposal of £4.1m was recognised.

Profit on disposal of fixed assets

Following the cessation of Celtic Energy Limited in December 2022, assets were either transferred within the group or sold or scrapped; assets sold or scrapped realised an overall profit of £0.9m in the prior year.

Redundancy costs

The group incurred redundancy costs of £4.1m during the prior year.

Post Operating exceptional items

In addition the group has experienced exceptional fair value gains and losses on investments and investment properties, in the prior year.

8	Interest receivable and similar income	2024	2023
		£'000	£'000
	Interest income		
	Interest on bank deposits	1,222	1,337
		=====	=====

CELTIC MINING GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

9 Interest payable and similar expenses

	2024	2023
	£'000	£'000
Unwinding of discount on provisions (note 20)	56	83
Other interest	1	-
	<u>57</u>	<u>83</u>
Total finance costs	<u><u>57</u></u>	<u><u>83</u></u>

10 Taxation

	2024	2023
	£'000	£'000
Current tax		
UK corporation tax on profits for the current period	19	(1,184)
Adjustments in respect of prior periods	-	78
	<u>19</u>	<u>(1,106)</u>
Total current tax	<u><u>19</u></u>	<u><u>(1,106)</u></u>

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:

	2024	2023
	£'000	£'000
Profit before taxation	<u>4,977</u>	<u>12,474</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2023: 19.00%)	1,244	2,370
Tax effect of expenses that are not deductible in determining taxable profit	(792)	174
Tax effect of utilisation of tax losses not previously recognised	-	(74)
Change in unrecognised deferred tax assets	(354)	-
Adjustments in respect of prior years	-	78
Permanent capital allowances in excess of depreciation	-	(260)
Other permanent differences	-	(1,206)
Tax at marginal rate	(1)	-
Pension Spread	-	(1,541)
Movements in deferred not provided	-	(647)
Fixed asset differences	(119)	-
Chargeable gains	41	-
	<u>19</u>	<u>(1,106)</u>
Taxation charge/(credit)	<u><u>19</u></u>	<u><u>(1,106)</u></u>

11 Fair value gains and losses on investments

	2024	2023
	£'000	£'000
Amounts written back to/(written off) investments held at fair value	<u>3,350</u>	<u>(242)</u>

CELTIC MINING GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

12 Intangible fixed assets

Group	Goodwill £'000
Cost	
At 1 April 2023 and 31 March 2024	43,992
	<hr/>
Amortisation and impairment	
At 1 April 2023 and 31 March 2024	43,992
	<hr/>
Carrying amount	
At 31 March 2024	-
	<hr/> <hr/>
At 31 March 2023	-
	<hr/> <hr/>

The company had no intangible fixed assets at 31 March 2024 or 31 March 2023.

13 Tangible fixed assets

Group	Freehold land and buildings £'000
Cost	
At 1 April 2023	3,035
Transfer to investment property	(375)
	<hr/>
At 31 March 2024	2,660
	<hr/>
Depreciation and impairment	
At 1 April 2023	-
Depreciation charged in the year	5
	<hr/>
At 31 March 2024	5
	<hr/>
Carrying amount	
At 31 March 2024	2,655
	<hr/> <hr/>
At 31 March 2023	3,035
	<hr/> <hr/>

The company had no tangible fixed assets at 31 March 2024 or 31 March 2023.

CELTIC MINING GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

14 Investment property

	Group 2024 £'000	Company 2024 £'000
Fair value		
At 1 April 2023 and 31 March 2024	25,216	-
Additions through external acquisition	1,456	-
Transfers from owner-occupied property	375	-
Disposals	(64)	-
	<u>26,983</u>	<u>-</u>
At 31 March 2024	<u>26,983</u>	<u>-</u>

Investment properties, which are all freehold, were valued on an open market existing use basis at 28 Feb 2023 by the directors. The valuations were based on comparable market data and external professional valuations of a sample of the portfolio undertaken by an independent valuer. The directors do not consider the value to have changed significantly in the current period.

The properties are not depreciated

15 Subsidiaries

Details of the company's subsidiaries at 31 March 2024 are as follows:

Name of undertaking	Nature of business	Class of shares held	% Held	
			Direct	Indirect
Celtic Energy Limited	Opencast mining	Ordinary	0	100.00
Avalon Glen	Property and Investment Management	Ordinary	0	100.00
Celtic Mining Limited	Dormant	Ordinary	0	100.00
Celtic Mining Operations Group Limited	Holding company	Ordinary	100.00	0
Celtic Environmental Developments Limited	Dormant	Ordinary	0	100.00

All of the above companies are incorporated in Great Britain and registered in England and Wales. The registered office of all of the above companies is Avalon House, 5-7 Cathedral Road, Cardiff, CF11 9HA.

During the current period on 4 December 2023 a liquidator was appointed for Celtic Environmental Developments Limited.

CELTIC MINING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

16 Financial instruments

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	7,698	6,951	n/a	n/a
Equity instruments measured at cost less impairment	39,535	28,741	n/a	n/a
	<u>39,535</u>	<u>28,741</u>		
Carrying amount of financial liabilities				
Measured at amortised cost	485	667	n/a	n/a
	<u>485</u>	<u>667</u>		

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

17 Debtors

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	248	241	-	-
Corporation tax recoverable	2,044	2,063	-	-
Other debtors	34	1,896	-	-
Prepayments and accrued income	62	-	-	-
	<u>2,388</u>	<u>4,200</u>	<u>-</u>	<u>-</u>
Amounts falling due after more than one year:				
Other debtors	7,421	4,827	-	-
	<u>7,421</u>	<u>4,827</u>	<u>-</u>	<u>-</u>
Total debtors	<u>9,809</u>	<u>9,027</u>	<u>-</u>	<u>-</u>

Other debtors falling due after more than one year includes cash funds held by LPAs of £3,073,000 (2023: £3,113,000) and loan balances of £4,348,000 (2023: £1,714,000).

Cash funds held by Local Planning Authorities (LPAs) are cash balances paid by the group as part of its Section 106 commitments and will be repaid to the group on milestones during the restoration and rehabilitation of the relevant sites.

18 Current asset investments

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Listed investments	39,535	28,741	-	-
	<u>39,535</u>	<u>28,741</u>	<u>-</u>	<u>-</u>

CELTIC MINING GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

19 Creditors: amounts falling due within one year

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Trade creditors	139	343	-	-
Corporation tax payable	55	55	-	-
Other taxation and social security	45	58	-	-
Other creditors	6	42	-	-
Accruals and deferred income	340	282	-	-
	<u>585</u>	<u>780</u>	<u>-</u>	<u>-</u>

20 Provisions for liabilities

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Operating provisions	2,353	2,362	-	-
Concessionary fuel	685	1,269	-	-
	<u>3,038</u>	<u>3,631</u>	<u>-</u>	<u>-</u>

Movements on provisions:

Group	Operating provisions	Concessionary fuel	Total
	£'000	£'000	£'000
At 1 April 2023	2,362	1,269	3,631
Additional provisions in the year	8	-	8
Reversal of provision	-	(60)	(60)
Utilisation of provision	(73)	(36)	(109)
Unwinding of discount	56	62	118
Other movements	-	(550)	(550)
At 31 March 2024	<u>2,353</u>	<u>685</u>	<u>3,038</u>

CELTIC MINING GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

20 Provisions for liabilities

(Continued)

Operating provisions

Operating provisions exist for restoration and rehabilitation of surface mine sites and distribution centres.

The total costs of reinstatement of soil excavation and of surface restoration were recognised as a provision on site commissioning when the obligation arose. The amount provided represents the present value of the expected future costs. Costs are charged to the provision as incurred and the unwinding of the discount is included in the interest charge for the year.

The timing and amounts of cash flows relating to the reinstatement of soil excavation and of surface restoration, of opencast sites and distribution centres were estimated by management based on:

- past experience
- current extraction ratios
- best estimates of coaling cessation
- expectation of the cost and timing of site restoration/rehabilitation.

As set out in note 2 these items are based on management estimates and involve significant uncertainty.

Restoration at Margam, Selar and East Pit was completed at 31 March 2022.

In October 2022 land at Selar and Nant Helen was sold removing further obligations for restoration and rehabilitation.

The group remains obligated to the cost of rehabilitation at Margam and East Pit. The rehabilitation works are expected to be carried out over a period spanning more than 5 years after the balance sheet date.

Concessionary fuel retirement benefits

The group has a commitment to provide concessionary fuel benefits to retired ex British Coal employees. At retirement upon attaining the age of 50, and having been employed for a minimum of 15 years, employees become entitled to a retirement fuel allowance. 23 former workers and widows are entitled to receive this benefit; 12 currently take this.

The principal assumptions used to estimate the amount of the provision are given below:

	2024	2023
Average retirement age	65 years	65 years
Discount rate	5.0%	4.5%
Pensionable life - current pensioner aged 65	26 years	26 years
Pensionable life - future retiree upon reaching 65	27.5 years	27.5 years

Concessionary fuel is an unfunded retirement benefit and as such there are no assets in the scheme.

CELTIC MINING GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

21 Retirement benefit schemes

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

Outstanding contributions at 31 March 2024 in respect of defined contribution schemes were £2,000 (2023: £nil).

The group also operated a defined benefit scheme for qualifying employees.

British Coal employees whose employment transferred to Celtic Energy Limited were members of the Industry Wide Coal Staff Superannuation Scheme ("IWCSSS"), a defined benefit scheme. The Celtic Energy employee fund ("the Scheme") was part of the IWCSSS. The assets of the Scheme were held in separate trustee administered funds.

The group's element of the scheme effectively closed on 31 July 2020, when the last active member opted out. The group's element of the scheme purchased annuities with Aviva which are qualifying insurance policies under FRS 102. The income from the policy exactly matches the amount and timing of the benefits payable to those members covered under the policy.

The group has contributed approximately £13.5m in prior periods in addition to the existing assets of the scheme (approximately £19.3m at the time of transfer).

22 Share capital

	Group and company	
	2024	2023
	£	£
Ordinary share capital		
Issued and fully paid		
1 ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>

23 Operating lease commitments

Lessee

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

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Within one year	2	-	-	-
Between two and five years	1	-	-	-
	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>

24 Events after the reporting date

Post year end on 10 May 2024, the group sold plant and machinery generating a profit on disposal of £1,175,000.

CELTIC MINING GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

25 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2024	2023
	£'000	£'000
Aggregate compensation	614	2,908
	<u> </u>	<u> </u>

Other related party transactions

Transactions during the current and previous years with companies in the G. Walters (Holdings) Limited group of companies, a group within the family interests of the company's ultimate controlling shareholder, Mr R J Walters, were as follows:

	Sales / (purchases) during the year	Sales / (purchases) during the year
	2024	2023
	£'000	£'000
Income from hire or lease of equipment	-	174
Charges for hire or lease of equipment	-	(3,752)
Charges for services	(55)	(959)
	<u> </u>	<u> </u>

All of the above transactions were undertaken on normal commercial terms.

No amounts were written off or provided for in respect of any of these transactions.

Balances at 31 March 2024 and 2023 with companies in the G. Walters (Holdings) Limited group of companies, a group within the family interests of the company's ultimate controlling shareholder, Mr R J Walters, were as follows:

	2024	2023
	£'000	£'000
Total amounts due to the Celtic Mining Group Limited group at the year end	-	38
Total amounts due from the Celtic Mining Group Limited group at the year end	(50)	(256)
	<u> </u>	<u> </u>

During the year the group made sales of £nil (2023: £306,324) in the normal course of business to Filtercite Ltd, a company which is a joint venture of a company which is under the common control of Mr R J Walters. At the year end there was a balance of £nil (2023: £nil) due from Filtercite Ltd to the group.

The group has made a loan to DMF Financial Limited, a company are under the common control of Mr R J Walters. During the year interest of £172,000 (2023: £8,000) was charged on the loan. At 31 March 2024, the balance due was £4,323,000 (2023: £1,695,000).

There were no other transactions requiring disclosure.

No guarantees have been given or received.

CELTIC MINING GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

26 Controlling party

In the opinion of the directors, the ultimate controlling party is Mr RJ Walters by virtue of his shareholding.

The directors consider that, Mr R J Walters who owns 100% of the voting shares is the ultimate controlling party.

27 Cash (absorbed by)/generated from group operations

	2024	2023
	£'000	£'000
Profit for the year after tax	4,958	13,580
Adjustments for:		
Taxation charged/(credited)	19	(1,106)
Finance costs	57	83
Investment income	(1,222)	(1,337)
Gain on disposal of tangible fixed assets	-	(4,948)
(Gain)/loss on disposal of investment property	(60)	1
Fair value gain on investment properties	-	(1,525)
Depreciation and impairment of tangible fixed assets	5	125
Amounts written off investments	(3,350)	242
Pension scheme non-cash movement	24	48
Decrease in provisions	(593)	(14,043)
Pension funding	-	(3,000)
Movements in working capital:		
Decrease in stocks	-	4,527
(Increase)/decrease in debtors	(801)	16,164
Decrease in creditors	(195)	(4,014)
Cash (absorbed by)/generated from operations	(1,158)	4,797

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.