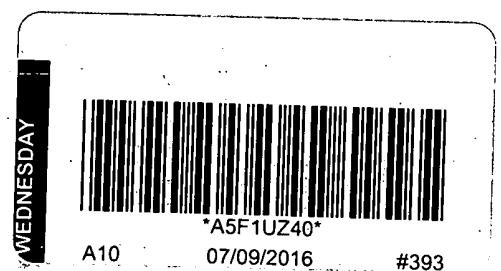


# Global Coal Limited

## REPORT AND FINANCIAL STATEMENTS

Year Ended 31 December 2015

Company Registration No. 04007764



# Global Coal Limited

## CONTENTS

---

Company information.....	2
Directors' report.....	3
Strategic report.....	5
Statement of directors' responsibilities.....	7
Independent auditor's report .....	8
Statement of comprehensive income .....	10
Statement of financial position.....	11
Statement of changes in equity.....	12
Statement of cash flows.....	13
Notes to the financial statements.....	14

# Global Coal Limited

## COMPANY INFORMATION

---

### DIRECTORS

E Cunningham  
P T Demzik  
Z Docrat  
D Giuliani  
G F Hernandez  
M Montenero  
I Oda  
T C Peterson  
P V Riis-Christensen  
M J Roberts  
M Rozendaal  
J Shimamoto  
S R Singh  
C R Wiggill

### COMPANY SECRETARY

A Goldsmith

### REGISTERED OFFICE

7<sup>th</sup> Floor  
Dashwood House  
69 Old Broad street  
London  
United Kingdom  
EC2M 1QS

### AUDITOR

RSM UK Audit LLP (formerly Baker Tilly Audit LLP)  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

# Global Coal Limited

## DIRECTORS' REPORT

---

The directors submit their report and the financial statements of Global Coal Limited for the year ended 31 December 2015.

### PRINCIPAL ACTIVITIES

The principal activities of the Company are the development of standardised physical contracts for the international coal market and the provision and management of screen based brokerage services for the bi-lateral trading of physical and financial contracts for the coal industry.

### RESULTS AND DIVIDENDS

The Company's trading profit for the year after taxation was \$3,292,882 (2014: \$5,925,659).

No interim dividend payments were made during the year (2014: \$2,862,134) and a final dividend of \$0.71633 (2014: \$0.68029) per share totalling \$2,895,674 (2014: \$2,750,000) was payable at the year end.

### DIRECTORS

The following directors have held office since 1 January 2015:

E Cunningham  
P T Demzik  
D Giuliani  
T Goldsworthy (Resigned 15 April 2015)  
M J Roberts (Appointed 2 July 2015)  
G I Griffiths (Appointed 26 February 2015, resigned 16 December 2015)  
Z Docrat (Appointed 4 February 2016)  
G F Hernandez (Appointed 4 March 2015)  
H Kasa (Resigned 16 September 2015)  
I Oda (Appointed 16 September 2015)  
M Montenero  
T C Peterson  
P V Riis-Christensen  
M Rozendaal  
J Shimamoto  
S R Singh  
S T Verner (Resigned 21 March 2016)  
C R Wiggill

### BRANCHES OUTSIDE THE UK

The Company has a branch office in Singapore for the purpose of marketing in the Asia / Pacific region. The branch is treated as a cost centre and as such all related expenditure is fully incorporated into these financial statements.

### STATEMENT AS TO DISCLOSURE OF INFORMATION 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, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

# Global Coal Limited

## DIRECTORS' REPORT

---

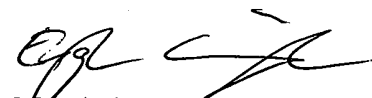
### **MATTERS OF STRATEGIC IMPORTANCE**

The company has chosen in accordance with Companies Act 2006, s414C(11) to set out in the company's Strategic Report information required by Large and Medium-sized companies and Groups (Accounts and Reports) Regulations 2008, Sch.7 to be contained in the Directors' Report. It has done so in respect of future developments and research and development.

### **RE-APPOINTMENT OF AUDITORS**

In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of RSM UK Audit LLP (formerly Baker Tilly Audit LLP) as auditor of the Company.

By order of the board on 23 March 2016.



E Cunningham  
Director

# Global Coal Limited

## STRATEGIC REPORT

---

The directors present their strategic report of the Company for the year ended 31 December 2015.

### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company benefited from an increase in returns during the year due to higher trade volumes despite market uncertainties. The Company focused on similar areas of investment as in previous years, primarily targeting increased trading volumes and higher membership. Membership of the Company's screen trading platform grew from 165 to 192 during the year.

The Company's business is focused on delivering services exclusively to institutional players in the physical and financial coal trading market.

The Company completed the year in a strong financial position, with no debt and a healthy capitalisation.

### Research and Development

The Company is investing in the development of its Standard Coal Trading Agreement (SCoTA), refining the contract and adding delivery locations. The Company launched an RSS for the metallurgical coal market in October 2015 and intends to launch a spot index for metallurgical coal once there is sufficient liquidity on the platform to support it. The Company is also developing coal futures contracts and related credit enhancing products as part of a co-operation and licensing agreement with ICE Futures Europe and intends to build on its successful business model during 2016. The Company intends to be fully IOSCO compliant from early 2016 forward in respect of all of the benchmarks that it publishes and contributes to.

### Principal Risks & Uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks.

The principal uncertainties facing the Company are reviewed regularly by the Board and actions put in place to mitigate identified risks. The Company has exposure to the following key risks:

- Changing regulatory framework in various jurisdictions
- Downturn in levels of demand from clients.
- Competitive pressure on commission rates.
- Movements in Exchange Rates.
- Business disruption due to regulatory or other changes.
- Protection of intellectual property.

The Board has implemented appropriate internal processes in order to mitigate the impact of these key risks to business performance.

An assessment of business performance is carried out quarterly by management, and is reviewed by the board, by measuring quarterly results based on a variety of key performance indicators not limited to:

- Earnings before interest, taxes, and amortisation (EBITA)
- Debtor days

# Global Coal Limited

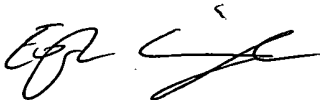
## STRATEGIC REPORT

---

### **Future Outlook**

The Company performed well in 2015 and although the competitive environment remains challenging, the directors believe that the Company will continue to be a going concern.

By order of the board on 23 March 2016



E Cunningham  
Director

# Global Coal Limited

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

---

The directors are responsible for preparing the Strategic Report and the Directors' 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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. 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.

# Global Coal Limited

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL COAL LIMITED

---

We have audited the financial statements on pages 10 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Company's 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.

### **Respective responsibilities of directors and auditor**

As more fully explained in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion 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.

# Global Coal Limited

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL COAL LIMITED

---

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

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



DAVID BLACHER (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor

Chartered Accountants

25 Farringdon Street

London

EC4A 4A

23 March 2016

**Global Coal Limited**  
**STATEMENT OF COMPEHENSIVE INCOME**  
**for the year ended 31 December 2015**


	Notes	2015 \$	2014 \$
<b>Turnover</b>	5	13,764,061	13,672,340
Cost of sales		(836,363)	(803,107)
<b>Gross profit</b>		<u>12,927,698</u>	<u>12,869,233</u>
Administrative expenses		(8,817,627)	(9,038,956)
<b>Operating profit</b>		<u>4,110,071</u>	<u>3,830,277</u>
Profit on sale of fixed asset	6	-	3,835,885
<b>Profit on ordinary activities before interest and taxation</b>	7	<u>4,110,071</u>	<u>7,666,162</u>
Interest receivable and similar income		8,082	13,603
<b>Profit on ordinary activities before taxation</b>		<u>4,118,153</u>	<u>7,679,765</u>
Tax on profit on ordinary activities	9	(825,271)	(1,754,106)
<b>Profit for the financial year</b>	19	<u>3,292,882</u>	<u>5,925,659</u>
Other comprehensive income		-	-
<b>Total Comprehensive income for the year</b>		<u><u>3,292,882</u></u>	<u><u>5,925,659</u></u>

Turnover and Operating Profit for the year arise from continuing operations.

**Global Coal Limited**  
**STATEMENT OF FINANCIAL POSITION**  
**31 December 2015**  
**Company Registration Number: 04007764**

	Notes	2015 \$	2014 \$
<b>Fixed assets</b>			
Tangible assets	11	222,667	294,976
Other intangible assets	12	535,475	293,240
		<u>758,142</u>	<u>588,216</u>
<b>Current assets</b>			
Debtors	13	2,132,114	2,384,657
Cash at bank and in hand		12,648,177	12,738,171
		<u>14,780,291</u>	<u>15,122,828</u>
<b>Creditors: Amounts falling due within one year</b>	14	(7,114,479)	(7,684,298)
<b>Net current assets</b>		<u>7,665,812</u>	<u>7,438,530</u>
<b>Net assets</b>		<u>8,423,954</u>	<u>8,026,746</u>
<b>Capital and reserves</b>			
Called up share capital	16	55,221	55,221
Share premium account	17	5,374,258	5,374,258
Capital redemption account	18	34	34
Profit and loss account	19	3,023,756	2,626,548
Foreign exchange reserve	20	(29,315)	(29,315)
<b>Total equity</b>		<u>8,423,954</u>	<u>8,026,746</u>

The financial statements on pages 10 to 27 were approved and authorised for issue by the board of directors on 23 March 2016 and are signed on its behalf by:

  
E Cunningham  
Director

Global Coal Limited  
STATEMENT OF CHANGES IN EQUITY  
31 December 2015

	Notes	Share Capital	Share Premium	Special Deferred Shares	Preference Shares	Capital Redemption Reserve	Foreign Currency Translation Reserve	Profit and loss account	Total
		\$	\$	\$	\$	\$	\$	\$	\$
Balance as at 1 January 2014		793	5,374,258	2	54,426	34	(29,315)	2,313,023	7,713,221
Profit for the year and total comprehensive income for the year	19	-	-	-	-	-	-	5,925,659	5,925,659
Transactions with owners in their capacity as owners:									
Dividends	10	-	-	-	-	-	-	(5,612,134)	(5,612,134)
Balance as at 31 December 2014		793	5,374,258	2	54,426	34	(29,315)	2,626,548	8,026,746
Profit for the year and total comprehensive income for the year	19	-	-	-	-	-	-	3,292,882	3,292,882
Transactions with owners in their capacity as owners:									
Dividends	10	-	-	-	-	-	-	(2,895,674)	(2,895,674)
Balance as at 31 December 2015		793	5,374,258	2	54,426	34	(29,315)	3,023,756	8,423,954

**Global Coal Limited**  
**STATEMENT OF CASH FLOWS**  
**31 December 2015**

	Notes	2015 \$	2014 \$
<b>Operating activities</b>			
Cash generated from operations	21	4,626,204	4,135,676
Income taxes paid		(1,560,780)	(1,334,141)
<b>Net cash from operating activities</b>		<b>3,065,424</b>	<b>2,801,535</b>
<b>Investing activities</b>			
Interest received		7,655	13,603
Purchase of tangible assets		(99,654)	(245,254)
Purchase of intangible assets		(315,739)	(271,841)
Proceeds on the sale of intangible assets		-	3,835,885
<b>Net cash (used)/from investing activities</b>		<b>(407,738)</b>	<b>3,332,393</b>
<b>Financing activities</b>			
Dividends paid		(2,747,680)	(4,863,109)
<b>Net cash used in financing activities</b>		<b>(2,747,680)</b>	<b>(4,863,109)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(89,994)</b>	<b>1,270,819</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>12,738,171</b>	<b>11,467,352</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>12,648,177</b>	<b>12,738,171</b>

# Global Coal Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2015

---

### **1. General Information**

Global Coal Limited ("the Company") is a limited company domiciled and incorporated in England. The Registered Office and principal place of business is 7th Floor, Dashwood House, 69 Old Broad Street, London, EC2M 1QS. The company's principal activities and nature of its operations are set out within the Directors' Report.

### **2. Basis of Accounting**

The financial statements of Global Coal Limited have been prepared in accordance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

### **3. Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Company transitioned from previously extant UK GAAP to FRS 102 as at 1 January 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 26.

#### **(a) Basis of preparation**

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

#### **(b) Going concern**

The directors have prepared forecasts for the business and on the basis of the expected results and given the resources that the Company has available to it, the directors believe the Company is well placed to manage its business risks successfully.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **(c) Functional Currency**

The company's functional and presentation currency is US dollars.

#### **(d) Foreign currencies**

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction.

All transaction differences are taken to profit and loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

#### **(e) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, net of value added taxes.

# Global Coal Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2015

The company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; and (d) it is probable that future economic benefits will flow to the entity.

Commissions receivable on trades are recognised immediately on execution.

Membership fee income is deferred and released in equal instalments over the period of membership.

### **(f) Deferred taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

### **(g) Intangible fixed assets (other than goodwill)**

Development costs are capitalised based on the company's ability to reliably measure the expenditure attributable to the intangible asset during its development and the existence of a market for the use of the intangible asset from which future economic benefits will be generated. Capitalised development expenditure is initially recognised at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Capitalised development expenditure is amortised on a straight line basis over its useful life, which is 5 years. The directors consider this useful life to be appropriate being the estimated minimum period the products are expected to generate economic benefits.

Other externally purchased intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Intangible assets are amortised to profit and loss on a straight line basis of their useful lives as follows:

Software	3 years
Website	3 years

Provision is made for any impairment in value.

# Global Coal Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2015

Amortisation is revised prospectively for any significant change in useful life or residual value. On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised in profit and loss.

### **(h) Tangible fixed assets**

Fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation to its estimated residual value on a straight line basis over its expected useful life, as follows:

Leasehold improvements	5 years
Fixtures and fittings	3 years
IT hardware	3 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

### **(i) Impairments**

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Company estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in the profit and loss account.

### **(j) Leases**

Operating lease rentals are charged to the profit and loss account in equal monthly amounts over the lease term.

### **(k) Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

### **(l) Cash and cash equivalents**

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

### **(m) Dividends**

Dividends are recognised as liabilities once they are no longer at the discretion of the company.

### **(n) Financial assets**

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 assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables 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. Other financial assets classified as fair value through profit or loss are measured at fair value.

# Global Coal Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

---

### ***Financial assets at fair value through profit or loss***

Financial assets classified as other financial assets are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

### ***Loans and receivables***

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

### ***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. The impairment loss 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 when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity

### ***(o) Financial liabilities***

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value.

### ***Financial liabilities at fair value through profit or loss***

Financial liabilities classified as other financial liabilities are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

### ***Other financial liabilities***

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the group's obligations are discharged, cancelled, or they expire.

# Global Coal Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2015

### 4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### 5. Turnover and profit on ordinary activities before taxation

The Company's turnover and profit before taxation were all derived from its principal activity wholly undertaken in the United Kingdom.

<i>Analysis of turnover by category</i>	2015	2014
	\$	\$
Rendering of services	13,764,061	13,672,340

6. Profit on disposal of fixed asset	2015	2014
	\$	\$
Profit on disposal of Intellectual Property Rights	-	3,835,885

7. Profit on ordinary activities before taxation	2015	2014
	\$	\$

Profit on ordinary activities before taxation is stated after charging:

Depreciation of tangible fixed assets - owned assets	171,962	127,546
Amortisation of intangible fixed assets	73,505	6,077
Foreign exchange trading losses	329,494	166,637
Operating lease rentals:		
Land and buildings	367,250	302,877
Auditor's remuneration:		
Audit services	41,451	31,514
Non audit services	22,206	-
Tax compliance	11,991	16,054

# Global Coal Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2015

<b>8. Employees</b>	2015	2014
	No.	No.
The average monthly number of persons (including directors) employed by the during the year was:		
Information technology	3	3
Sales and marketing	18	18
Administration	4	4
	<u>25</u>	<u>25</u>
	2015	2014
	\$	\$
Wages and salaries	4,992,179	5,643,320
Social security costs	594,642	619,703
Pension contributions	173,893	174,538
<b>Staff costs</b>	<u><b>5,760,714</b></u>	<u><b>6,437,561</b></u>
	2015	2014
	\$	\$
<i>Directors' remuneration</i>		
Emoluments	671,156	957,340
Pension contributions	32,502	32,766
Other benefits	3,879	3,759
	<u><b>707,537</b></u>	<u><b>993,865</b></u>

The amount paid to the highest paid director was \$625,023 (2014: \$888,685), including pension scheme contributions of \$32,502 (2014: \$32,766).

The above figures include amounts paid to directors' service companies.

The number of directors to whom retirement benefits are accruing under money purchase schemes was: 1 (2014: 1)

**Global Coal Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2015**

<b>9. Taxation</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Current tax:		
UK corporation tax on profits of the year	920,331	1,602,673
Adjustment in respect of previous period	(91,749)	47,888
<b>Total current tax</b>	<b>828,582</b>	<b>1,650,561</b>
Deferred tax:		
Origination and reversal of timing differences	(7,446)	103,545
Adjustment in respect of previous period	4,135	-
<b>Total deferred tax</b>	<b>(3,311)</b>	<b>103,545</b>
<b>Tax on profit on ordinary activities</b>	<b>825,271</b>	<b>1,754,106</b>

<b>Factors affecting tax charge for the year:</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>

The tax assessed for the year is lower than the standard rate of Corporation tax of 20.25% (2014: 21.50%). The differences are explained below:

Profit on ordinary activities before tax	4,118,153	7,679,765
Profit on ordinary activities multiplied by the standard rate of corporation tax of 20.25% (2014: 21.50%)	833,785	1,651,150
Effects of:		
Expenses not deductible for tax purposes	73,567	60,810
Capital allowances for period in excess of depreciation	1,101	3,658
Other timing differences	(41,692)	(9,399)
Exchange differences	(41,490)	47,887
<b>Current tax charge for the year</b>	<b>825,271</b>	<b>1,754,106</b>

<b>10. Dividends</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Interim dividend paid	-	2,862,134
Final dividend payable	2,895,674	2,750,000
	<b>2,895,674</b>	<b>5,612,134</b>

A dividend payment amounting to \$2,750,000 at \$0.68029 per share was made on 17 April 2015 being the settlement of the dividend payable as at 31 December 2014.

**Global Coal Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2015

**11. Tangible Fixed Assets**

	Leasehold improvements \$	Fixtures & fittings \$	IT Hardware \$	Total \$
Cost				
1 January 2015	381,918	120,782	1,591,012	2,093,712
Additions	16,299	855	82,500	99,654
31 December 2015	398,217	121,637	1,673,512	2,193,366
Depreciation				
1 January 2015	346,226	100,564	1,351,947	1,798,737
Charged in year	41,537	7,327	123,098	171,962
31 December 2015	387,763	107,891	1,475,045	1,970,699
Net book value				
31 December 2015	10,454	13,746	198,467	222,667
31 December 2014	35,693	20,218	239,065	294,976

**12. Intangible Fixed Assets**

	Software \$	Website \$	Development Costs \$	Total \$
Cost				
1 January 2015	647,684	515,933	-	1,163,617
Additions	57,005	25,000	394,671	476,676
31 December 2015	704,689	540,933	394,671	1,640,293
Amortisation				
1 January 2015	515,380	515,933	-	1,031,313
Charged in year	68,285	-	5,220	73,505
31 December 2015	583,665	515,933	5,220	1,104,818
Net book value				
31 December 2015	121,024	25,000	389,451	535,475
31 December 2014	293,240	-	-	293,240

# Global Coal Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2015

	2015	2014
	\$	\$
<b>13. Debtors</b>		
Due within one year:		
Trade debtors	1,337,423	1,688,558
Other debtors	34,529	42,945
Prepayments and accrued income	715,501	609,804
Deferred tax asset	44,661	43,350
	<u>2,132,114</u>	<u>2,384,657</u>

The deferred tax asset comprises a liability of \$23,157 (2014: \$26,815) relating to accelerated capital allowances and an asset of \$67,818 (2014: \$70,165) relating to short term timing differences.

	2015	2014
	\$	\$
<b>14. Creditors: Amounts falling due within one year</b>		
Dividend payable	2,895,674	2,750,000
Trade creditors	144,773	171,242
Corporation tax	165,887	900,085
Other taxation and social security	694,640	479,515
Other creditors	38,799	-
Accruals and deferred income	3,174,706	3,383,456
	<u>7,114,479</u>	<u>7,684,298</u>

### 15. Financial instruments

The carrying amounts of the company's financial instruments at 31 December were:

	2015	2014
	\$	\$
<b>Financial assets:</b>		
Debt instruments measured at amortised cost	14,479,766	14,881,977
<b>Financial liabilities:</b>		
Measured at amortised cost	5,297,817	5,513,896

**Global Coal Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2015

<b>16. Share capital</b>	Ordinary shares 0.1 pence each	Special deferred share £1 each	Preference Shares 1 pence each	Total
	No.	No.	No.	No.
Called up, allotted and fully paid:				
1 January	514,689	1	3,527,686	4,042,376
31 December	514,689	1	3,527,686	4,042,376
	Ordinary shares 0.1 pence each	Special deferred share £1 each	Preference Shares 1 pence each	Total
	\$	\$	\$	\$

Called up, allotted and fully paid:

1 January	793	2	54,426	55,221
31 December	793	2	54,426	55,221

Ordinary and preference share capital rank pari passu with each other except for the following rights of preference shares on winding up:

- Payment of dividends not declared; and
- Repayment of capital paid up on each preference share together with any share premium paid.

Preference shareholders shall not be entitled to any participation in any surplus assets available for distribution after exercise of their preferential rights above.

The preference shareholders have the right to convert their shares to ordinary shares at any time.

The special deferred share holds no voting rights, rights to dividends, or rights to further participation in the capital of the Company. On winding up the holder is entitled only to the repayment of paid up share capital, subordinated to the rights of the preference shareholders as noted above.

**Global Coal Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2015

<b>17. Share premium account</b>	2015 \$	2014 \$
1 January	5,374,258	5,374,258
31 December	<u>5,374,258</u>	<u>5,374,258</u>
<b>18. Capital redemption account</b>	2015 \$	2014 \$
1 January and 31 December 2015	<u>34</u>	<u>34</u>
<b>19. Retained Earnings</b>	2015 \$	2014 \$
1 January	2,626,548	2,313,023
Profit for the financial year	3,292,882	5,925,659
Dividend paid	-	(2,862,134)
Dividend payable	<u>(2,895,674)</u>	<u>(2,750,000)</u>
31 December	<u>3,023,756</u>	<u>2,626,548</u>
<b>20. Foreign Exchange Reserve</b>		\$
At 1 January 2014 and 2015 and 31 December 2014 and 2015		<u>(29,315)</u>
<b>21. Cash Flows</b>	2015 \$	2014 \$
<b>Reconciliation of profit after tax to net cash generated from operations</b>		
Profit after tax	3,292,882	5,925,659
Depreciation and amortisation	245,467	133,623
Interest receivable	(8,082)	(13,603)
Taxation	825,271	1,754,106
Proceeds on the sale of intangible assets	-	(3,835,885)
Operating cashflows before movements in working capital	<u>4,355,538</u>	<u>3,963,900</u>
Decrease/(increase) in debtors	253,849	(571,970)
Increase in creditors	(312,677)	743,746
Currency translation adjustments	<u>329,494</u>	<u>-</u>
Cash generated from operations	<u>4,626,204</u>	<u>4,135,676</u>

# Global Coal Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 December 2015

#### 22. Commitments Under Operating Leases

At 31 December 2015 the Company had annual commitments under non-cancellable operating leases as follows:

	2015 \$	2014 \$
Land and buildings:		
expiring within one year	50,677	198,714
expiring in the second to fifth year	<u>530,713</u>	<u>86,875</u>
	<u>581,390</u>	<u>285,589</u>

#### 23. Ultimate parent company and controlling party

The ultimate parent undertaking by virtue of its shareholding is Global HubCo BV, a company registered in the Netherlands. Accounts are available from Global HubCo BV, Strawinskylaan 3015, 1077 2X Amsterdam, The Netherlands.

In the opinion of the directors, there is no single controlling party given that the shareholders' agreement has provisions, separate from rights attaching to shares, such that a "consumer" shareholder must agree to a vote in addition to votes cast by "producer" shareholders (Global HubCo BV and Anglo American Finance (UK) Plc) before certain special resolutions can be passed.

#### 24. Retirement benefits

The company operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of this scheme are held separately from those of the company in an independently administered fund. The contributions payable by the company charged to profit or loss amounted to \$173,893 (2014: \$174,538). Contributions totalling \$23,289 were outstanding as of the year end (2014: Nil).

#### 25. Remuneration of key management personnel

Key management personnel compensation in 2015 amounted to \$1,591,281 (2014: \$1,952,591).

#### 26. Transition to FRS 102

This is the first year that the company has presented its results under FRS 102. The last financial statements under the UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2015. There were no changes in accounting policies that affected the profit for the financial year ended 31 December 2014 and the total equity as at 1 January 2015 between UK GAAP as previously reported and FRS 102.

# Global Coal Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

### *Reconciliations on adoption of FRS 102*

Reconciliations and descriptions of the effect of the transition to FRS 102 on; (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

#### Reconciliation of equity on transition to FRS 102 on 1 January 2014

	Notes	Previous UK GAAP \$	Effect of transition to FRS 102 \$	FRS 102 \$
<b>FIXED ASSETS</b>				
Tangible assets	A	204,746	(27,476)	177,270
Intangible fixed assets	A	-	27,476	27,476
		<u>204,746</u>	<u>-</u>	<u>204,746</u>
<b>CURRENT ASSETS</b>				
Debtors due within one year		1,916,231	-	1,916,231
Cash at bank and in hand		11,467,352	-	11,467,352
		<u>13,383,583</u>	<u>-</u>	<u>13,383,583</u>
<b>CREDITORS: Amounts falling due within one year</b>		<u>(5,875,108)</u>	<u>-</u>	<u>(5,875,108)</u>
<b>NET CURRENT ASSETS</b>		<u>7,508,475</u>	<u>-</u>	<u>7,508,475</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>7,713,221</u>	<u>-</u>	<u>7,713,221</u>
<b>NET ASSETS</b>		<u><u>7,713,221</u></u>	<u><u>-</u></u>	<u><u>7,713,221</u></u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital		55,221	-	55,221
Share premium		5,374,258	-	5,374,258
Capital redemption account		34	-	34
Profit and loss account		2,313,023	-	2,313,023
Foreign exchange reserve		(29,315)	-	(29,315)
<b>TOTAL EQUITY</b>		<u><u>7,713,221</u></u>	<u><u>-</u></u>	<u><u>7,713,221</u></u>

**Global Coal Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2015

***Reconciliations on adoption of FRS 102 (continued)***

Reconciliation of equity on transition to FRS 102 on 31 December 2014

	Notes	Previous UK GAAP \$	Effect of transition to FRS 102 \$	FRS 102 \$
<b>FIXED ASSETS</b>				
Tangible assets	A	588,216	(293,240)	294,976
Intangible fixed assets	A	-	293,240	293,240
		<u>588,216</u>	<u>-</u>	<u>588,216</u>
<b>CURRENT ASSETS</b>				
Debtors due within one year		2,384,657	-	2,384,657
Cash at bank and in hand		12,738,171	-	12,738,171
		<u>15,122,828</u>	<u>-</u>	<u>15,122,828</u>
<b>CREDITORS: Amounts falling due within one year</b>		<u>(7,684,298)</u>	<u>-</u>	<u>(7,684,298)</u>
<b>NET CURRENT ASSETS</b>		<u>7,438,530</u>	<u>-</u>	<u>7,438,530</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>8,026,746</u>	<u>-</u>	<u>8,026,746</u>
<b>NET ASSETS</b>		<u><u>8,026,746</u></u>	<u><u>-</u></u>	<u><u>8,026,746</u></u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital		55,221	-	55,221
Share premium		5,374,258	-	5,374,258
Capital redemption account		34	-	34
Profit and loss account		2,626,548	-	2,626,548
Foreign exchange reserve		(29,315)	-	(29,315)
<b>TOTAL EQUITY</b>		<u><u>8,026,746</u></u>	<u><u>-</u></u>	<u><u>8,026,746</u></u>

A - Reclassification of software costs from tangible fixed assets to intangible fixed assets. Under FRS 102, "software costs" meets the definition of intangible fixed assets and has therefore been reclassified from tangible fixed assets to intangible fixed assets. There has been no effect on equity at 1 January 2014 and 31 December 2014 or profit for the year ended 31 December 2014 as a result of this adjustment.