

Global Coal Limited

REPORT AND FINANCIAL STATEMENTS

31 December 2014

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COMPANIES HOUSE

Company Registration No. 04007764

Global Coal Limited

COMPANY INFORMATION

DIRECTORS

E Cunningham
P T Demzik
D Giuliani
T Goldsworthy
G I Griffiths
F H Gustavo
H Kasa
M Montenero
T C Peterson
P V Riis-Christensen
M Rozendaal
J Shimamoto
S R Singh
S T Verner
C R Wiggill

SECRETARY

Capita Company Secretarial Services Limited

REGISTERED OFFICE

1st Floor
40 Dukes Place
London
United Kingdom
EC3A 7NH

AUDITOR

Baker Tilly UK 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 2014.

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 \$5,925,659 (2013: \$2,739,808).

During the year an interim dividend payment was paid of \$1.24093 (2013: \$0.32656) per share totalling \$2,862,134 (2013: \$1,300,034) and a final dividend of \$0.68029 (2013: \$0.495) per share totalling \$2,750,000 (2013: \$2,000,976) was payable at the year end.

DIRECTORS

The following directors have held office since 1 January 2014:

V J Binns	(resigned 26 November 2014)
E Cunningham	
P T Demzik	
D Finch	(resigned 31 October 2014)
D Giuliani	
T Goldsworthy	
G I Griffiths	(appointed 26 February 2015)
D S Grunbaum	(resigned 30 June 2014)
F H Gustavo	(appointed 4 March 2015)
T Kanamura	(resigned 26 March 2014)
H Kasa	(appointed 17 September 2014)
M Montenero	
T C Peterson	
R Poyntz	(resigned 18 June 2014)
P V Riis-Christensen	(appointed 17 September 2014)
M Rozendaal	
J Shimamoto	(appointed 26 March 2014)
S R Singh	
M Toki	(resigned 17 September 2014)
P G Townsend	(resigned 14 November 2014)
S T Verner	(appointed 30 December 2014)
C R Wiggill	(appointed 21 February 2014)

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

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the directors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.


Global Coal Limited

DIRECTORS' REPORT

AUDITOR

Baker Tilly UK Audit LLP have expressed their willingness to continue in office as auditor and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

By order of the board on 24th March 2015.



E Cunningham
Director

Global Coal Limited

STRATEGIC REPORT

The directors present their strategic report of the Company for the year ended 31 December 2014.

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 150 to 165 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 as well as an RSS for the metallurgical coal market. 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 2015.

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 have implemented appropriate internal processes in order to mitigate these key risks to business performance.

Future Outlook

The Company performed well in 2014 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 24th March 2015



E Cunningham
Director

Global Coal Limited

DIRECTORS' RESPONSIBILITIES STATEMENT

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 7 to 18. 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).

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 5, 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 2014 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.

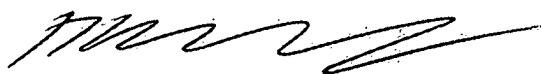
Opinion on other matter prescribed by the Companies Act 2006

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.

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 BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4A

8/4/2015

Global Coal Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2014

	Notes	2014 \$	2013 \$
TURNOVER	1	13,672,340	12,807,809
Cost of sales		(803,107)	(709,465)
Gross profit		12,869,233	12,098,344
Administrative expenses		(9,038,956)	(8,435,644)
OPERATING PROFIT		3,830,277	3,662,700
Profit on sale of fixed asset	2	3,835,885	-
Interest receivable		13,603	14,054
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	7,679,765	3,676,754
Taxation	5	(1,754,106)	(936,946)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	15	5,925,659	2,739,808

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

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

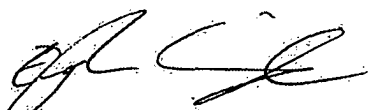
Global Coal Limited

BALANCE SHEET

31 December 2014

	Notes	2014 \$	2013 \$
FIXED ASSETS			
Intangible assets	7	-	-
Tangible assets	8	588,216	204,745
Investments	9	-	1
		<u>588,216</u>	<u>204,746</u>
CURRENT ASSETS			
Debtors	10	2,384,657	1,916,231
Cash at bank and in hand		12,738,171	11,467,352
		<u>15,122,828</u>	<u>13,383,583</u>
CREDITORS: Amounts falling due within one year	11	(7,684,298)	(5,875,108)
NET CURRENT ASSETS		<u>7,438,530</u>	<u>7,508,475</u>
NET ASSETS		<u>8,026,746</u>	<u>7,713,221</u>
CAPITAL AND RESERVES			
Called up share capital	12	55,221	55,221
Share premium account	13	5,374,258	5,374,258
Capital redemption account	14	34	34
Profit and loss account	15	2,626,548	2,313,023
Foreign exchange reserve	16	(29,315)	(29,315)
SHAREHOLDERS' FUNDS	17	<u>8,026,746</u>	<u>7,713,221</u>

The financial statements on pages 7 to 18 were approved and authorised for issue by the board of directors on 24th March 2015 and are signed on its behalf by:


E. Cunningham
Director

Global Coal Limited
CASH FLOW STATEMENT
for the year ended 31 December 2014

	Notes	2014 \$	2013 \$
Cash inflow from operating activities	18a	4,135,676	5,070,352
Returns on investments and servicing of finance	18b	13,603	14,054
Taxation		(1,334,141)	(1,328,914)
Capital expenditure and financial investment	18b	3,318,790	(89,984)
Equity dividends paid		(4,863,109)	(4,174,259)
Financing	18b	-	114,942
INCREASE/(DECREASE) IN CASH IN THE YEAR	18c	<u>1,270,819</u>	<u>(393,809)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2014 \$	2013 \$
Increase/(Decrease) in cash in the year	1,270,819	(393,809)
MOVEMENT IN NET FUNDS IN YEAR	<u>1,270,819</u>	<u>(393,809)</u>
NET FUNDS AT 1 JANUARY	11,467,352	11,861,161
NET FUNDS AT 31 DECEMBER	<u>12,738,171</u>	<u>11,467,352</u>

Global Coal Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards.

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.

INCOME RECOGNITION

Turnover represents amounts derived, net of Value Added Tax and trade permitted, from goods sold and services provided to customers.

Commissions receivable on trades are recognised immediately on execution.

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

GOODWILL AND INTANGIBLE FIXED ASSETS

On acquisition of a business, purchased goodwill is capitalised in the year in which it arises and amortised over its estimated useful life up to a maximum of 20 years. The directors regard 20 years as a reasonable maximum for the estimated useful life of goodwill since it is difficult to make projections exceeding this period.

Other externally purchased intangible assets are capitalised at cost. Amortisation is provided on cost over the period in which the benefit is expected to occur.

Provision is made for any impairment in value.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

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

IMPAIRMENTS

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairments. Impairments of revalued assets, except those caused by a clear consumption of economic benefit, are recognised in the statement of total recognised gains and losses until the carrying amount reaches depreciated historic cost. All other impairment losses are recognised in the profit and loss account.

FIXED ASSET INVESTMENTS

Fixed asset investments are recorded at cost less any provision for impairment losses.

Global Coal Limited

ACCOUNTING POLICIES

DEFERRED TAXATION

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

FUNCTIONAL CURRENCY

The Company's functional currency is the United States Dollar.

FOREIGN CURRENCIES

Transactions denominated in foreign currencies are translated into the functional currency at the rates ruling at date of invoice. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. Translation differences are dealt with in the profit and loss account.

LEASES

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

RETIREMENT BENEFITS

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post retirement benefits 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 in the balance sheet.

Global Coal Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014

1 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.

2	PROFIT ON DISPOSAL OF FIXED ASSET	2014 \$	2013 \$
	Profit on disposal of Intellectual Property Rights	3,835,885	-

3	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2014 \$	2013 \$
	Profit on ordinary activities before taxation is stated after charging/(crediting):		
	Depreciation, - owned assets	133,623	230,669
	Impairment of tangible fixed assets	-	129,000
	Foreign exchange trading losses/(gains)	166,637	(85,862)
	Operating lease rentals:		
	Land and buildings	302,877	282,142
	Auditor's remuneration:		
	Audit services	31,514	24,252
	Non audit services:		
	Tax compliance	16,054	9,701

4	EMPLOYEES	2014 No.	2013 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
		25	25

	2014 \$	2013 \$
Staff costs for above persons:		
Wages and salaries	5,643,320	4,841,809
Social security costs	619,703	610,058
Pension contributions	174,538	146,434
	6,437,561	5,598,301

Global Coal Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

4. EMPLOYEES (continued)

	2014 \$	2013 \$
DIRECTORS' REMUNERATION		
Emoluments	957,340	1,056,444
Pension contributions	32,766	33,870
Other benefits	3,759	4,473
	<u>993,865</u>	<u>1,094,787</u>

The amount paid to the highest paid director was \$888,685 (2013: \$1,045,782), including pension scheme contributions of \$32,766 (2013: \$33,870).

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

5. TAXATION

	2014 \$	2013 \$
Current tax:		
UK corporation tax on profits of the year	1,602,673	1,011,831
Adjustment in respect of previous period	47,888	(48,308)
Total current tax	<u>1,650,561</u>	<u>963,523</u>
Deferred tax:		
Origination and reversal of timing differences	103,545	(42,819)
Adjustment in respect of previous period	-	549
Effect of tax rate change on opening balance	-	15,693
Total deferred tax	<u>103,545</u>	<u>(26,577)</u>
Tax on profit on ordinary activities	<u>1,754,106</u>	<u>936,946</u>
Factors affecting tax charge for the year:	2014 \$	2013 \$
The tax assessed for the year is lower than the standard rate of corporation tax of 21.50% (2013: 23.25%). The differences are explained below:		
Profit on ordinary activities before tax	7,679,765	3,676,754
Profit on ordinary activities multiplied by the standard rate of corporation tax of 21.50% (2013: 23.25%)	1,651,150	854,845
Effects of:		
Expenses not deductible for tax purposes	60,810	87,362
Capital allowances for period in excess of depreciation	(99,887)	5,514
Other timing differences	(9,399)	17,251
Exchange differences	47,887	(1,449)
Current tax charge for the year	<u>1,650,561</u>	<u>963,523</u>

Global Coal Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

6	DIVIDENDS	2014 \$	2013 \$
	Interim dividend paid	2,862,134	1,300,034
	Final dividend payable	2,750,000	2,000,976
		<u>5,612,134</u>	<u>3,301,010</u>

7	INTANGIBLE FIXED ASSETS	Database \$	Goodwill \$	Total \$
	Cost			
	1 January 2014 and 31 December 2014	339,422	285,692	625,114
	Amortisation			
	1 January 2014 and 31 December 2014	(339,442)	(285,692)	(625,114)
	Net book value			
	31 December 2013 and 31 December 2014	-	-	-

8	TANGIBLE FIXED ASSETS	Leasehold improvements \$	Fixtures & fittings \$	IT Hardware \$	Software \$	Website \$	Total \$
	Cost						
	1 January 2014	366,853	102,039	1,379,567	536,780	515,933	2,901,172
	Additions	15,066	18,744	211,444	271,841	-	517,095
	31 December 2014	<u>381,919</u>	<u>120,783</u>	<u>1,591,011</u>	<u>808,621</u>	<u>515,933</u>	<u>3,418,267</u>
	Depreciation						
	1 January 2014	294,411	99,646	1,277,134	509,304	515,933	2,696,428
	Charged in year	51,814	919	74,813	6,077	-	133,623
	31 December 2014	<u>346,225</u>	<u>100,565</u>	<u>1,351,947</u>	<u>515,381</u>	<u>515,933</u>	<u>2,830,051</u>
	Net book value						
	31 December 2014	<u>35,694</u>	<u>20,218</u>	<u>239,064</u>	<u>293,240</u>	<u>-</u>	<u>588,216</u>
	31 December 2013	<u>72,442</u>	<u>2,393</u>	<u>102,434</u>	<u>27,476</u>	<u>-</u>	<u>204,745</u>

Global Coal Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

9	FIXED ASSET INVESTMENTS	2014	2013
		\$	\$
	Investment in subsidiary company:		
	At 31 December 2013 and 2014	-	1

Fixed assets investments in 2013 represented 100% of the issued share capital of Global Ore Limited a dormant company incorporated in the United Kingdom. This company was struck off during 2014.

10	DEBTORS	2014	2013
		\$	\$
	Due within one year:		
	Trade debtors	1,688,558	431,308
	Other debtors	42,945	344,695
	Prepayments and accrued income	609,804	993,333
	Deferred tax asset	43,350	146,895
		<u>2,384,657</u>	<u>1,916,231</u>

The deferred tax asset comprises a liability of (\$26,815) (2013: \$67,987 asset) relating to accelerated capital allowances and an asset of \$70,165 (2013: \$78,908) relating to short term timing differences.

11	CREDITORS: Amounts falling due within one year	2014	2013
		\$	\$
	Dividend payable	2,750,000	2,000,976
	Trade creditors	171,242	176,603
	Corporation tax	900,085	583,665
	Other taxation and social security	479,515	193,198
	Other creditors	-	64,078
	Accruals and deferred income	3,383,456	2,856,588
		<u>7,684,298</u>	<u>5,875,108</u>

12	SHARE CAPITAL	Ordinary shares	Special	Preference	Total
		0.1 pence each	deferred	Shares 1	
			share	pence each	
		£1. each	No.	No.	No.
		No.	No.	No.	No.
	Called up, allotted and fully paid:				
	1 January	514,689	1	3,527,686	4,042,376
	Shares issued	-	-	-	-
		<u>514,689</u>	<u>1</u>	<u>3,527,686</u>	<u>4,042,376</u>
	31 December	514,689	1	3,527,686	4,042,376

Global Coal Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

12	SHARE CAPITAL (continued)	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
	Shares issued	-	-	-	-
	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.

13	SHARE PREMIUM ACCOUNT	2014 \$	2013 \$
	1 January	5,374,258	5,260,265
	Preference shares issued during the year	-	113,993
	31 December	5,374,258	5,374,258
14	CAPITAL REDEMPTION ACCOUNT	2014 \$	2013 \$
	1 January and 31 December 2014	34	34
15	PROFIT AND LOSS ACCOUNT	2014 \$	2013 \$
	1 January	2,313,023	2,874,225
	Profit for the financial year	5,925,659	2,739,808
	Dividend paid	(2,862,134)	(1,300,034)
	Dividend payable	(2,750,000)	(2,000,976)
	31 December	2,626,548	2,313,023

Global Coal Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

16	FOREIGN EXCHANGE RESERVE		\$
	At 1 January 2013 and 2014 and 31 December 2013 and 2014		<u>(29,315)</u>
17	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2014	2013
		\$	\$
	Issue of shares	-	949
	Increase in share premium	-	113,993
	Profit for the financial year	5,925,659	2,739,808
	Dividend paid	(2,862,134)	(1,300,034)
	Dividend payable	(2,750,000)	(2,000,976)
	Net addition to/(reduction in) shareholders' funds	313,525	(446,260)
	Opening shareholders' funds	7,713,221	8,159,481
	Closing shareholders' funds	<u>8,026,746</u>	<u>7,713,221</u>
18	CASH FLOWS	2014	2013
		\$	\$
a	Reconciliation of operating profit to net cash inflow from operating activities		
	Operating profit	3,830,277	3,662,700
	Depreciation and amortisation	133,623	230,669
	Impairment loss	-	129,000
	(Increase) / decrease in debtors	(571,970)	868,850
	Increase / (decrease) in creditors	743,746	179,133
	Net cash inflow from operating activities	<u>4,135,676</u>	<u>5,070,352</u>
b	Analysis of cash flows for headings netted in the cash flow statement	2014	2013
		\$	\$
	Returns on investments and servicing of finance		
	Interest received	13,603	14,054
	Net cash inflow from returns on investments and servicing of finance	<u>13,603</u>	<u>14,054</u>
	Capital expenditure and financial investment		
	Purchase of tangible fixed assets	(517,095)	(89,984)
	Proceeds on the sale of intangible assets	3,835,885	-
	Net cash inflow / (outflow) from capital expenditure and financial investment	<u>3,318,790</u>	<u>(89,984)</u>
	Financing		
	Issue of preference share capital	-	114,942
	Net cash inflow from financing	<u>-</u>	<u>114,942</u>

Global Coal Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014

c	Analysis of net funds	At		At
		1 January 2014	Cash flow	31 December 2014
		\$	\$	\$
	Cash at bank and in hand	11,467,352	1,270,819	12,738,171

19 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2014 the Company had annual commitments under non-cancellable operating leases as follows:

	2014	2013
	\$	\$
Land and buildings:		
expiring within one year	198,714	210,957
expiring in the second to fifth year	86,875	68,220
	<u>285,589</u>	<u>279,177</u>

20 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.