

Global Coal Limited

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

31 December 2011

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COMPANIES HOUSE

Company Registration No 04007764

Global Coal Limited

DIRECTORS AND OFFICERS

DIRECTORS

E Cunningham
D Finch
D Giuliani
T Goldsworthy
M Kage
R Poyntz
M Rozendaal
P G Townsend
D E Trimboli
K R Tromans
D J Fuller
T Kanamura

SECRETARY

Whale Rock Accounting Limited

REGISTERED OFFICE

7th Floor
Dashwood House
Old Broad Street
London
EC2M 1QS

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 group financial statements of Global Coal Limited for the year ended 31 December 2011

PRINCIPAL ACTIVITIES

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

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The group suffered a decrease in returns during the year due to reduced trading volumes as a result of the depressed global market. It focused on similar areas of investment as in previous years, primarily targeting increased trading volumes and higher membership. Membership of the platform grew from 107 to 123 during the year.

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

We completed the year with a strong financial position, with no debt and a healthy capitalisation.

Research and Development

globalCOAL is investing in the development of its Standard Coal Trading Agreement (SCoTA), refining the contract and adding delivery locations. globalCOAL is also developing coal futures contracts and related credit enhancing products as part of a co-operation and licensing agreement with ICE Futures Europe. globalCOAL intends to replicate the success of the globalCOAL progress this throughout 2012.

Future Outlook

The group performed well in 2011 and although the competitive environment remains challenging, we believe that the company will survive and prosper.

Principal Risks & Uncertainties

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

The principal risks and uncertainties facing the company are reviewed on a regular basis by the Board and actions put in place to mitigate identified risks. As with any business, the company has exposure to the following key risks:

- 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.

Key Performance Indicators (KPIs)

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Global Coal Limited

DIRECTORS' REPORT

RESULTS AND DIVIDENDS

The group's trading profit for the year after taxation was £ 269,136 (2010 £2,754,638)

The directors recommend that no dividend is proposed for payment in 2011 (2010 £1,796,107)

DIRECTORS

The following directors have held office since 1 January 2011

E Cunningham	
D Finch	
D Fuller	(appointed 17 November 2011)
D Giuliani	
T Goldsworthy	
M Hovers	(resigned 15 November 2011)
M Igawa	(resigned 1 July 2011)
M Kage	
T Kanamura	(appointed 1 July 2011)
M Montenero	(resigned 9 February 2011)
R Poyntz	
M Rozendaal	
P L M Salvan	(resigned 15 November 2011)
P G Townsend	
D E Trimboli	
K R Tromans	

BRANCHES OUTSIDE THE UK

A branch exists in Singapore for the purpose of marketing in the Asian markets. The branch is treated as a cost centre and as such all related expenditure is fully incorporated into these financial statements.

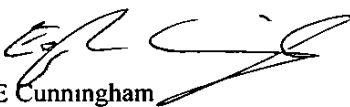
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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.

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 21 March 2012


E Cunningham
Director

Global Coal Limited

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing 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 group and the company and of the profit or loss of the group 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 group and the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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 group and parent company financial statements (the "financial statements") on pages 6 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 4, 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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2011 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in 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 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.



DAVID BLACHER (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

Date 29 March 2012

Global Coal Limited
CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2011

	Notes	2011 £	2010 £
TURNOVER	1	7,316,762	8,772,231
Cost of sales		(462,052)	(464,358)
Gross profit		6,854,710	8,307,873
Administrative expenses		(6,458,366)	(4,494,074)
OPERATING PROFIT		396,344	3,813,799
Interest receivable		7,894	59,830
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	404,238	3,873,629
Taxation	4	(135,102)	(1,118,991)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	13	269,136	2,754,638

Turnover and Operating Profit for the year arise from the Group's 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


GROUP BALANCE SHEET

31 December 2011

REG No 04007764

	Notes	2011 £	2010 £
FIXED ASSETS			
Intangible assets	6	730,810	730,810
Tangible assets	7	409,872	373,942
Investments	8	1	1
		<u>1,140,683</u>	<u>1,104,753</u>
CURRENT ASSETS			
Debtors	9	1,103,754	1,016,653
Cash at bank and in hand		5,637,781	7,199,171
		<u>6,741,535</u>	<u>8,215,824</u>
CREDITORS Amounts falling due within one year	10	(2,372,284)	(4,111,773)
NET CURRENT ASSETS		<u>4,369,251</u>	<u>4,104,051</u>
NET ASSETS		<u>5,509,934</u>	<u>5,208,804</u>
CAPITAL AND RESERVES			
Called up share capital	11	35,199	35,167
Share premium account	12	3,409,493	3,377,531
Profit and loss account	13	2,065,242	1,796,106
SHAREHOLDERS' FUNDS	14	<u>5,509,934</u>	<u>5,208,804</u>

The financial statements on pages 6 to 19 were approved and authorised for issue by the board of directors and authorised for issue on 21/03/12 and are signed on its behalf by



E Cunningham
Director

Global Coal Limited
COMPANY BALANCE SHEET
31 December 2011

REG No 04007764

	Notes	2011 £	2010 £
FIXED ASSETS			
Intangible assets	6	730,810	-
Tangible assets	7	409,872	373,942
Investments	8	1	1
		<u>1,140,683</u>	<u>373,943</u>
CURRENT ASSETS			
Debtors	9	1,103,754	1,747,463
Cash at bank and in hand		5,637,781	7,199,171
		<u>6,741,535</u>	<u>8,946,634</u>
CREDITORS Amounts falling due within one year	10	(2,372,284)	(4,111,773)
NET CURRENT ASSETS		<u>4,369,251</u>	<u>4,834,861</u>
NET ASSETS		<u>5,509,934</u>	<u>5,208,804</u>
CAPITAL AND RESERVES			
Called up share capital	11	35,199	35,167
Share premium account	12	3,409,493	3,377,531
Profit and loss account	13	2,065,242	1,796,106
SHAREHOLDERS' FUNDS	14	<u>5,509,934</u>	<u>5,208,804</u>

The financial statements on pages 6 to 19 were approved and authorised for issue by the board of directors and authorised for issue on 21/03/12 and are signed on its behalf by


E Cunningham
Director

Global Coal Limited
GROUP CASH FLOW STATEMENT
for the year ended 31 December 2011

	Notes	2011 £	2010 £
Cash inflow from operating activities	15a	1,033,564	3,780,549
Returns on investments and servicing of finance	15b	7,894	59,830
Taxation		(685,910)	(913,572)
Capital expenditure and financial investment	15b	(152,809)	(978,280)
Equity dividends paid		(1,796,107)	(830,000)
Financing	15b	31,978	30,607
(DECREASE)/INCREASE IN CASH IN THE YEAR		<u>(1,561,390)</u>	<u>1,149,134</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2011 £	2010 £
(Decrease)/Increase in cash in the year	(1,561,390)	1,149,134
MOVEMENT IN NET FUNDS IN YEAR	<u>(1,561,390)</u>	<u>1,149,134</u>
NET FUNDS AT 1 JANUARY	7,199,171	6,050,037
NET FUNDS AT 31 DECEMBER	<u>5,637,781</u>	<u>7,199,171</u>

Global Coal Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of Global Coal Limited and its subsidiary undertaking for the year using the acquisition method. The results of subsidiaries formed or acquired during the year are incorporated from the date that Global Coal Limited obtained control.

No profit and loss account is presented for Global Coal Limited as provided by s408 of the Companies Act 2006.

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

FIXED ASSET INVESTMENTS

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

DEFERRED TAXATION

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 Group's taxable profits and its results as stated in the financial statements that arise from the

Global Coal Limited

ACCOUNTING POLICIES

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 substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

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 GROUP FINANCIAL STATEMENTS for the year ended 31 December 2011

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

2	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2011 £	2010 £
	Profit on ordinary activities before taxation is stated after charging/(crediting)		
	Depreciation - owned assets	116,879	96,838
	Foreign exchange trading (gains)/losses	(205,749)	14,604
	Operating lease rentals		
	Land and buildings	170,756	123,113
	Auditor's remuneration		
	Audit 2011 accounts	15,000	14,500
	Non audit services		
	Tax compliance	2,500	2,000
	Advisory	-	8,300
		<u> </u>	<u> </u>

3	EMPLOYEES	2011 No	2010 No
	The average monthly group number of persons (including directors) employed by the Group during the year was		
	Information technology	3	3
	Sales and marketing	14	14
	Administration	4	1
		<u> </u>	<u> </u>
		21	18

	2011 £	2010 £
Staff costs for above persons		
Wages and salaries	2,866,928	2,207,852
Social security costs	319,991	232,055
Pension contributions	90,318	2,448
	<u> </u>	<u> </u>
	3,277,237	2,442,355

	2011 £	2010 £
DIRECTORS' REMUNERATION		
Emoluments	554,114	503,667
Pension contributions	17,053	1,797
Other benefits	<u>2,553</u>	<u>2,348</u>
	573,720	507,812

The amount paid to the highest paid director was £573,720 (2010 £507,812), including pension scheme contributions of £17,053 (2010 £1,797)

Global Coal Limited

NOTES TO THE GROUP FINANCIAL STATEMENTS for the year ended 31 December 2011

4	TAXATION	2011 £	2010 £
	Current tax		
	UK corporation tax on profits of the year	105,102	1,075,607
	Double taxation relief		(5,522)
	Adjustment in respect of previous period		(960)
	Overseas tax on profits for the year		5,522
	Total current tax	105,102	1,074,647
	Deferred tax		
	Origination and reversal of timing differences	30,000	44,344
	Total deferred tax	30,000	44,344
	Tax on profit on ordinary activities	135,102	1,118,991
	Factors affecting tax charge for the year	2011 £	2010 £
	The tax assessed for the year is lower than the standard rate of corporation tax of 26% The differences are explained below		
	Profit on ordinary activities before tax	404,238	3,873,629
	Profit on ordinary activities multiplied by the standard rate of corporation tax of 26%	105,102	1,084,616
	Effects of		
	Expenses not deductible for tax purposes	31,196	30,385
	Capital allowances for period in excess of depreciation	(19,566)	(39,394)
	Other timing differences	(11,630)	-
	Adjustment to tax charge in respect of previous period		(960)
	Current tax charge for the year	105,102	1,074,647
5	DIVIDENDS	2011 £	2010 £
	Final approved	-	1,796,107

The directors have approved a final dividend totalling £nil (2010 £1,796,107 @ 0.52p per share)

Global Coal Limited

NOTES TO THE GROUP FINANCIAL STATEMENTS for the year ended 31 December 2011

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INTANGIBLE FIXED ASSETS - GROUP

	Intellectual Property Rights £	Database £	Goodwill £	Total £
Cost				
1 January 2011	730,810	220,000	185,174	1,135,984
Additions	-	-	-	-
31 December 2011	<u>730,810</u>	<u>220,000</u>	<u>185,174</u>	<u>1,135,984</u>
Amortisation				
1 January 2011	-	220,000	185,174	405,174
31 December 2011	<u>730,810</u>	<u>220,000</u>	<u>185,174</u>	<u>1,135,984</u>
Net book value				
31 December 2011	<u>730,810</u>	<u>-</u>	<u>-</u>	<u>-</u>
31 December 2010	<u>730,810</u>	<u>-</u>	<u>-</u>	<u>730,810</u>

INTANGIBLE FIXED ASSETS – COMPANY

	Intellectual Property Rights £	Database £	Goodwill £	Total £
Cost				
1 January 2011		220,000	185,174	405,174
Additions	730,810			730,810
31 December 2011	<u>730,810</u>	<u>220,000</u>	<u>185,174</u>	<u>1,135,984</u>
Amortisation				
1 January 2011 and 31 December 2011	-	220,000	185,174	405,174
Net book value				
31 December 2011	<u>730,810</u>	<u>-</u>	<u>-</u>	<u>730,810</u>
31 December 2010	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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TANGIBLE FIXED ASSETS – GROUP AND COMPANY

	Leasehold improvements £	Fixtures & fittings £	IT Hardware £	Software £	Website £	Total £
Cost						
1 January 2011	237,781	61,670	756,043	251,583	261,867	1,568,944
Additions	-	2,555	33,386	44,328	72,540	152,809
31 December 2011	<u>237,781</u>	<u>64,225</u>	<u>789,429</u>	<u>295,911</u>	<u>334,407</u>	<u>1,721,753</u>
Amortisation						
1 January 2011	65,913	45,117	659,319	220,686	203,967	1,195,002
Charged in year	39,629	8,023	49,004	20,223	-	116,879
31 December 2011	<u>105,542</u>	<u>53,140</u>	<u>708,323</u>	<u>240,909</u>	<u>203,967</u>	<u>1,311,881</u>
Net book value						
31 December 2011	<u>132,239</u>	<u>11,085</u>	<u>81,106</u>	<u>55,002</u>	<u>130,440</u>	<u>409,872</u>
31 December 2010	<u>171,868</u>	<u>16,553</u>	<u>96,724</u>	<u>30,897</u>	<u>57,900</u>	<u>373,942</u>

Global Coal Limited

NOTES TO THE GROUP FINANCIAL STATEMENTS for the year ended 31 December 2011

8	FIXED ASSET INVESTMENTS – COMPANY	£
	Investment in subsidiary company	
	At 1 January 2011	1
	Additions	-
	At 31 December 2011	<u>1</u>

On 15 May 2010 1 ordinary share of £1 was purchased by the Company in Global Ore Limited. This represents 100% of the issued share capital of this company. The investment in the group undertaking is recorded at cost.

Global Ore Limited is incorporated in the United Kingdom. The principal activity of Global Ore Limited is the development of standardised physical contracts for the international iron ore market.

9	DEBTORS - GROUP	2011 £	2010 £
	Due within one year		
	Trade debtors	267,732	302,430
	Other debtors	99,538	75,767
	Prepayments and accrued income	567,897	589,453
	Corporation tax	149,584	-
	Deferred tax asset	19,003	49,003
		<u>1,103,754</u>	<u>1,016,653</u>
	DEBTORS - COMPANY	2011 £	2010 £
	Due within one year		
	Trade debtors	267,732	302,430
	Amounts owed by subsidiary undertaking	-	730,810
	Other debtors	99,538	75,767
	Prepayments and accrued income	567,897	589,453
	Corporation tax	149,584	-
	Deferred tax asset	19,003	49,003
		<u>1,103,754</u>	<u>1,747,463</u>

The deferred tax asset comprises £19,003 (2010: £49,003) relating to accelerated capital allowances.

Global Coal Limited

NOTES TO THE GROUP FINANCIAL STATEMENTS for the year ended 31 December 2011

10	CREDITORS Amounts falling due within one year – GROUP AND COMPANY	2011 £	2010 £
	Trade creditors	65,258	210,878
	Corporation tax	-	431,224
	Other taxation and social security	415,413	291,633
	Other creditors	140,912	100,276
	Proposed dividend	-	1,796,107
	Accruals and deferred income	1,750,701	1,281,655
		<u>2,372,284</u>	<u>4,111,773</u>

11	SHARE CAPITAL – GROUP AND COMPANY	2011 £	2010 £
	Called up, allotted and fully paid		
	536,177 (2010 504,183) ordinary shares of 0 1p each	536	504
	1 special deferred share of £1	1	1
	3,466,184 preference shares of 1p each	34,662	34,662
		<u>35,199</u>	<u>35,167</u>

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

1,483,245 warrants giving a right to convert into preference shares at a strike price of £1 25 were subscribed for at nil consideration during 2002. These are convertible at the holder's option over a period of 10 years

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

During the year, 31,994 ordinary shares of 0 1p each were issued for £1 each

12	SHARE PREMIUM ACCOUNT – GROUP AND COMPANY	2011 £	2010 £
	1 January	3,377,531	3,346,980
	Shares issued in the year	31,962	30,551
	31 December	<u>3,409,493</u>	<u>3,377,531</u>

Global Coal Limited

NOTES TO THE GROUP FINANCIAL STATEMENTS for the year ended 31 December 2011

13	PROFIT AND LOSS ACCOUNT – GROUP	2011	2010
		£	£
	1 January	1,796,106	837,575
	Profit for the financial year	269,136	2,754,638
	Dividend	-	(1,796,107)
	31 December	2,065,242	1,796,106
	PROFIT AND LOSS ACCOUNT - COMPANY	2011	2010
		£	£
	1 January	1,796,106	837,575
	Profit for the financial year	269,136	2,754,638
	Dividend	-	(1,796,107)
	31 December	2,065,242	1,796,106
14	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS - GROUP	2011	2010
		£	£
	Issue of shares	32	56
	Increase in share premium	31,962	30,551
	Profit for the financial year	269,136	2,754,638
	Dividend	-	(1,796,107)
	Net addition in shareholders' funds	301,130	989,138
	Opening shareholders' funds	5,208,804	4,219,666
	Closing shareholders' funds	5,509,934	5,208,804
	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS – COMPANY	2011	2010
		£	£
	Issue of shares	32	56
	Increase in share premium	31,962	30,551
	Profit for the financial year	269,136	2,754,638
	Dividend	-	(1,796,107)
	Net addition in shareholders' funds	301,130	989,138
	Opening shareholders' funds	5,208,804	4,219,666
	Closing shareholders' funds	5,509,934	5,208,804

Global Coal Limited

NOTES TO THE GROUP FINANCIAL STATEMENTS for the year ended 31 December 2011

15	CASH FLOWS - GROUP	2011 £	2010 £
a	Reconciliation of operating profit to net cash inflow from operating activities		
	Operating profit	396,344	3,813,799
	Depreciation and amortisation	116,879	96,838
	Decrease/(Increase) in debtors	32,483	(325,991)
	Increase in creditors	487,858	195,903
	Net cash inflow from operating activities	<u>1,033,564</u>	<u>3,780,549</u>
b	Analysis of cash flows for headings netted in the cash flow statement	2011 £	2010 £
	Returns on investments and servicing of finance		
	Interest received	7,894	59,830
	Net cash inflow from returns on investments and servicing of finance	<u>7,894</u>	<u>59,830</u>
	Capital expenditure and financial investment		
	Purchase of tangible fixed assets	(152,809)	(300,572)
	Net cash outflow from capital expenditure and financial investment	<u>(152,809)</u>	<u>(300,572)</u>
	Financing		
	Issue of ordinary share capital	31,978	30,607
	Net cash inflow from financing	<u>31,978</u>	<u>30,607</u>
c	Analysis of net funds	At 1 January 2011 £	At 31 December 2011 £
	Cash in hand, at bank	7,199,171	(1,561,390) 5,637,781

16 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2011 the Group had annual commitments under non-cancellable operating leases as follows

	2011 £	2010 £
Land and buildings expiring in the second to fifth year	<u>184,208</u>	<u>107,668</u>

Global Coal Limited

NOTES TO THE GROUP FINANCIAL STATEMENTS for the year ended 31 December 2011

17 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.

18 RELATED PARTIES

An amount of £60,712 (2010 £40,272) was paid to a service organisation under the control of Roy Poyntz, in respect of non executive director fees. At 31 December 2011, £nil (2010 £1,163) was due to the service organisation.

The Company has taken advantage of the FRS 8 exemption from disclosing intra-group transactions.