

Global Coal Limited

REPORT AND FINANCIAL STATEMENTS

Year Ended 31 December 2016

Company Registration No. 04007764



Global Coal Limited

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Global Coal Limited

COMPANY INFORMATION

DIRECTORS

M Abbott
E Cunningham
Z Docrat
D Giuliani
I F N Hall
G F Hernandez
M Montenero
Z L Oster
T C Peterson
M J Roberts
M Rozendaal
J Shimamoto
S R Singh
M Toda
C R Wiggill
G Ziems

COMPANY SECRETARY

A Goldsmith

REGISTERED OFFICE

7th Floor
Dashwood House
69 Old Broad street
London
United Kingdom
EC2M 1QS

AUDITOR

RSM 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 2016.

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 \$2,824,818 (2015: \$3,292,882).

The final dividend for 31 December 2015 of \$2,895,674 was paid during the year and there are no dividends payable at the year end.

DIRECTORS

The following directors have held office since 1 January 2016:

M Abbott (Appointed 15 July 2016)
E Cunningham
P T Demzik (Resigned 21 September 2016)
D Giuliani
M J Roberts
Z Docrat (Appointed 4 February 2016)
I F N Hall (Appointed 21 September 2016)
G F Hernandez
I Oda (Resigned 15 June 2016)
Z L Oster (Appointed 20 May 2016)
M Montenero
T C Peterson
P V Riis-Christensen (Resigned 13 April 2016)
M Rozendaal
J Shimamoto
S R Singh
M Toda (Appointed 20 January 2017)
S T Verner (Resigned 23 March 2016)
C R Wiggill
G Ziems (Appointed 9 May 2016)

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 AUDITOR

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 as auditor of the Company.

By order of the board on 22 March 2017.

A handwritten signature in black ink, appearing to read 'E Cunningham', with a long horizontal flourish extending to the right.

E Cunningham
Director

Global Coal Limited

STRATEGIC REPORT

The directors present their strategic report of the Company for the year ended 31 December 2016.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company benefited from strong returns 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 192 to 198 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 2015 with widespread acceptance by the market in 2016. The Company intends the data produced by the platform to contribute to a spot index for metallurgical coal in 2017.

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 2017. The Company became fully IOSCO compliant in early 2016 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.

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 2016 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 22 March 2017



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

Opinion on financial statements

We have audited the financial statements on pages 10 to 25. 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".

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 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.

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 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 and, based on the work undertaken in the course of our audit, the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

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

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

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.

Global Coal Limited

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

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.



DAVID BLACHER (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4A

27 March 2017

Global Coal Limited
STATEMENT OF COMPEHENSIVE INCOME
for the year ended 31 December 2016


	Notes	2016 \$	2015 \$
Turnover	5	13,766,378	13,764,061
Cost of sales		(787,799)	(836,363)
Gross profit		<u>12,978,579</u>	<u>12,927,698</u>
Administrative expenses		(9,496,380)	(8,817,627)
Operating profit		<u>3,482,199</u>	<u>4,110,071</u>
Interest receivable and similar income		31,609	8,082
Profit before taxation	6	<u>3,513,808</u>	<u>4,118,153</u>
Taxation	8	(688,990)	(825,271)
Profit after taxation and profit for the financial year	18	<u>2,824,818</u>	<u>3,292,882</u>
Other comprehensive income		-	-
Total Comprehensive income for the year		<u><u>2,824,818</u></u>	<u><u>3,292,882</u></u>

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

Global Coal Limited
STATEMENT OF FINANCIAL POSITION
31 December 2016
Company Registration Number: 04007764

	Notes	2016 \$	2015 \$
Fixed assets			
Tangible assets	10	148,677	222,667
Other intangible assets	11	527,956	535,475
		<u>676,633</u>	<u>758,142</u>
Current assets			
Debtors	12	1,633,818	2,132,114
Cash at bank and in hand		14,338,126	12,648,177
		<u>15,971,944</u>	<u>14,780,291</u>
Current Liabilities			
Creditors: Amounts falling due within one year	13	(5,399,805)	(7,114,479)
Net current assets		<u>10,572,139</u>	<u>7,665,812</u>
Net assets		<u>11,248,772</u>	<u>8,423,954</u>
Capital and reserves			
Called up share capital	15	55,221	55,221
Share premium account	16	5,374,258	5,374,258
Capital redemption account	17	34	34
Profit and loss account	18	5,848,574	3,023,756
Foreign exchange reserve	19	(29,315)	(29,315)
Total equity		<u>11,248,772</u>	<u>8,423,954</u>

The financial statements on pages 10 to 25 were approved and authorised for issue by the board of directors on 22 March 2017 and are signed on its behalf by:


E Cunningham
Director

Global Coal Limited
STATEMENT OF CHANGES IN EQUITY
31 December 2016

	Notes	Ordinary 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 2015		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	18	-	-	-	-	-	-	3,292,882	3,292,882
Transactions with owners in their capacity as owners:									
Dividends	9	-	-	-	-	-	-	(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
Profit for the year and total comprehensive income for the year	18	-	-	-	-	-	-	2,824,818	2,824,818
Transactions with owners in their capacity as owners:									
Dividends	9	-	-	-	-	-	-	-	-
Balance as at 31 December 2016		793	5,374,258	2	54,426	34	(29,315)	5,848,574	11,248,772

Global Coal Limited
STATEMENT OF CASH FLOWS
31 December 2016

	Notes	2016 \$	2015 \$
Operating activities			
Cash generated from operations	20	5,269,050	4,626,204
Income taxes paid		(480,605)	(1,560,780)
Net cash from operating activities		<u>4,788,445</u>	<u>3,065,424</u>
Investing activities			
Interest received		31,609	7,655
Purchase of tangible assets		(46,106)	(99,654)
Purchase of intangible assets		(188,325)	(315,739)
Net cash used in investing activities		<u>(202,822)</u>	<u>(407,738)</u>
Financing activities			
Dividends paid		(2,895,674)	(2,747,680)
Net cash used in financing activities		<u>(2,895,674)</u>	<u>(2,747,680)</u>
Net increase/(decrease) in cash and cash equivalents		1,689,949	(89,994)
Cash and cash equivalents at the beginning of the year		12,648,177	12,738,171
Cash and cash equivalents at the end of the year		<u><u>14,338,126</u></u>	<u><u>12,648,177</u></u>

Global Coal Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

1. General Information

Global Coal Limited ("the Company") is a private limited company registered, 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.

Monetary amounts in these financial statements are rounded to the nearest \$1, except where otherwise indicated.

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.

(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 presentational 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 or 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.

The company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the amount of revenue can be measured reliably; and (c) it is probable that future economic benefits will flow to the entity.

Global Coal Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

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) 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 or 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.

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 or loss.

Amortisation of Website development costs will commence from the date the new website becomes live.

Global Coal Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

(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 of each asset 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 profit or loss.

(j) Leases

Operating lease rentals are charged to profit or loss 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 in full, 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 2016

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.

(p) Other income

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective rate.

Global Coal Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

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.

The directors do not consider there are any estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year.

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>	2016	2015
	\$	\$
Rendering of services	13,766,378	13,764,061
	<hr/>	<hr/>
6. Profit before taxation	2016	2015
	\$	\$
Profit before taxation is stated after charging:		
Depreciation of tangible fixed assets - owned assets	120,096	171,962
Amortisation of intangible fixed assets	195,844	73,505
Foreign exchange trading (gains)/losses	(24,261)	329,494
Operating lease rentals:		
Land and buildings	345,053	367,250
Auditor's remuneration:		
Audit services	44,446	41,451
Non audit services	6,050	22,206
Tax compliance	10,000	11,991
	<hr/>	<hr/>

Global Coal Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2016

7. Employees	2016 No.	2015 No.
The average monthly number of persons (including directors) employed by the during the year was:		
Information technology	5	3
Sales and marketing	18	18
Administration	6	4
	29	25

	2016 \$	2015 \$
Wages and salaries	6,085,569	4,992,179
Social security costs	683,940	594,642
Pension contributions	217,300	173,893
Staff costs	6,986,809	5,760,714

	2016 \$	2015 \$
<i>Directors' remuneration</i>		
Emoluments	1,384,486	671,156
Pension contributions	30,250	32,502
Other benefits	3,111	3,879
	1,417,847	707,537

The amount paid to the highest paid director was \$1,312,930 (2015: \$625,023), including pension scheme contributions of \$30,250 (2015: \$32,502).

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 (2015: 1).

Global Coal Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

8. Taxation	2016	2015
	\$	\$
Current tax:		
UK corporation tax on profits of the year	708,875	920,331
Adjustment in respect of previous period	(59,598)	(91,749)
Total current tax	649,277	828,582
Deferred tax:		
Origination and reversal of timing differences	28,206	(7,446)
Adjustment in respect of previous period	11,507	4,135
Total deferred tax	39,713	(3,311)
Tax on profit	688,990	825,271
Factors affecting tax charge for the year:	2016	2015
	\$	\$
The tax assessed for the year is lower than the standard rate of Corporation tax of 20% (2015: 20.25%). The differences are explained below:		
Profit before tax	3,513,808	4,118,153
Profit multiplied by the standard rate of corporation tax of 20% (2015: 20.25%)	702,762	833,785
Effects of:		
Expenses not deductible for tax purposes	75,180	73,567
Capital allowances for period in excess of depreciation	(1,016)	1,101
Other timing differences	(38,823)	(41,692)
Exchange differences	(49,113)	(41,490)
Total tax expense	688,990	825,271
9. Dividends	2016	2015
	\$	\$
Final dividend payable	-	2,895,674
	-	2,895,674

A dividend payment amounting to \$2,895,674 at \$0.70633 per share was made on 22 April 2016 being the settlement of the dividend payable as at 31 December 2015.

Global Coal Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

10. Tangible Fixed Assets

	Leasehold improvements \$	Fixtures & fittings \$	IT Hardware \$	Total \$
Cost				
1 January 2016	398,217	121,637	1,673,512	2,193,366
Additions	-	1,450	44,656	46,106
31 December 2016	398,217	123,087	1,718,168	2,239,472
Depreciation				
1 January 2016	387,763	107,891	1,475,045	1,970,699
Charged in year	10,454	7,090	102,552	120,096
31 December 2016	398,217	114,981	1,577,597	2,090,795
Net book value				
31 December 2016	-	8,106	140,571	148,677
31 December 2015	10,454	13,746	198,467	222,667

11. Intangible Fixed Assets

	Software \$	Website \$	Development Costs \$	Total \$
Cost				
1 January 2016	704,689	540,933	394,671	1,640,293
Additions - separately acquired	60,499	124,465	3,361	188,325
31 December 2016	765,188	665,398	398,032	1,828,618
Amortisation				
1 January 2016	583,665	515,933	5,220	1,104,818
Charged in year	74,963	-	120,881	195,844
31 December 2016	658,628	515,933	126,101	1,300,662
Net book value				
31 December 2016	106,560	149,465	271,931	527,956
31 December 2015	121,025	25,000	389,451	535,475

Included in the carrying value of development costs are the capitalised costs in respect of projects.
The amortisation charge for the year is recognised within administrative expenses.

Global Coal Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

	2016	2015
	\$	\$
12. Debtors		
Due within one year:		
Trade debtors	1,012,951	1,337,423
Other debtors	49,110	34,529
Prepayments and accrued income	566,809	715,501
Deferred tax asset	4,948	44,661
	<u>1,633,818</u>	<u>2,132,114</u>

The deferred tax asset comprises a liability of \$37,232 (2015: \$23,157) relating to accelerated capital allowances and an asset of \$42,180 (2015: \$67,818) relating to short term timing differences.

	2016	2015
	\$	\$
13. Creditors: Amounts falling due within one year		
Dividend payable	-	2,895,674
Trade creditors	106,920	144,773
Corporation tax	334,559	165,887
Other taxation and social security	526,491	694,640
Other creditors	109,625	38,799
Accruals and deferred income	4,322,210	3,174,706
	<u>5,399,805</u>	<u>7,114,479</u>

14. Financial instruments

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

	2016	2015
	\$	\$
Financial assets:		
Debt instruments measured at amortised cost	1,374,060	1,831,589
Financial liabilities:		
Measured at amortised cost	2,587,139	5,297,817

Global Coal Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016

15. Share capital	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 2016

16. Share premium account	2016	2015
	\$	\$
1 January	5,374,258	5,374,258
31 December	<u>5,374,258</u>	<u>5,374,258</u>
17. Capital redemption account	2016	2015
	\$	\$
1 January and 31 December 2016	<u>34</u>	<u>34</u>
18. Retained Earnings	2016	2015
	\$	\$
1 January	3,023,756	2,626,548
Profit for the financial year	2,824,818	3,292,882
Dividend paid	-	-
Dividend payable	<u>-</u>	<u>(2,895,674)</u>
31 December	<u>5,848,574</u>	<u>3,023,756</u>
19. Foreign Exchange Reserve		\$
At 1 January 2015 and 2016 and 31 December 2015 and 2016		<u>(29,315)</u>
20. Cash Flows	2016	2015
	\$	\$
Reconciliation of profit after tax to net cash generated from operations		
Profit after tax	2,824,818	3,292,882
Depreciation and amortisation	315,940	245,467
Interest receivable	(31,609)	(8,082)
Taxation	688,990	825,271
Operating cashflows before movements in working capital	<u>3,798,139</u>	<u>4,355,538</u>
Decrease in debtors	458,583	253,849
Increase/(decrease) in creditors	1,012,328	(312,677)
Currency translation adjustments	<u>-</u>	<u>329,494</u>
Cash generated from operations	<u>5,269,050</u>	<u>4,626,204</u>

Global Coal Limited

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for the year ended 31 December 2016

21. Commitments Under Operating Leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2016 \$	2015 \$
Land and buildings:		
Amount payable in one year	335,810	292,054
Amount payable in second to fifth year	<u>604,393</u>	<u>888,167</u>
	<u>940,203</u>	<u>1,180,221</u>

22. 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.

23. 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 \$217,300 (2015: \$173,893). Contributions totalling \$48,700 were outstanding as of the year end (2015: \$23,289).

24. Remuneration of key management personnel

Key management personnel compensation, which relates to the senior management team, amounted to \$2,510,273 in 2016 (2015: \$1,591,281).