

GLOBAL COAL LIMITED

Report and Financial Statements

31 December 2001

**Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR**



GLOBAL COAL LIMITED**REPORT AND FINANCIAL STATEMENTS 2001**

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditors' report	5
Profit and loss account	6
Balance sheet	8
Cash flow statement	9
Notes to the accounts	10

REPORT AND FINANCIAL STATEMENTS 2001

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Steven Anthony Blumgart

Jon Dudas

Sean Thomas Gilbertson

Davide Guiliani

Simon Harrington

Fritz Henjes

Takuya Inohira

Andrew Murray Lloyd

Justin Reizes

Alessandro Sartori

Peter Sceats

Paul Grainger Townsend

Tetsuya Taki

Mark Christopher Walters (Chairman)

SECRETARY

James Ward

REGISTERED OFFICE

3rd Floor, 81 Piccadilly, London, W1J 8HY

BANKERS

Bank of Scotland, Cockspur Street, London, SW1Y 5BL

HSBC, Kensington High Street, London, W8 4SH

SOLICITORS

Davenport Lyons, 1 Old Burlington Street, London, W1S 3NL

AUDITORS

Deloitte & Touche, Hill House, 1 Little New Street, London, EC4A 3TR

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2001.

ACTIVITIES

The company operates a marketplace to facilitate the buying and selling of coal and coal related products and services.

REVIEW OF DEVELOPMENTS

The Shareholder's Agreement was signed in April 2001. The company then completed the development phase of the project and launched for live trading on 16 May 2001.

The company has been well received by the marketplace and 3.51m tonnes of coal was transacted during the period.

The company obtained Financial Services Authority authorisation as a Service Company and expects to launch its financial coal products early in 2002.

DIVIDENDS AND TRANSFERS TO RESERVES

No dividends are proposed.

A loss of £1,073,498 was realised in the year.

IMPORTANT EVENTS OCCURRING AFTER THE END OF THE YEAR.

Since the year end the company has issued shares to employees. This event is described fully in note 17.

FUTURE PROSPECTS

The directors are optimistic about the future prospects of the company. The infrastructure and development work is completed in the main and the company expects to see trading volumes increase as financial instruments are launched and markets become more liquid.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were:

Mark Charles Adams (appointed 18 April 2001, resigned 31 December 2001)

Alan Austin (appointed 15 February 2001, resigned 18 April 2001)

Alnery Incorporations No 1 Limited (resigned 15 February 2001)

Alnery Incorporations No 2 Limited (resigned 15 February 2001)

Steven Anthony Blumgart (appointed 18 April 2001)

Jed Dempsey (appointed 15 February 2001, resigned 5 April 2002)

Jon Dudas (appointed 1 February 2002)

Dean Dvorak (alternate) (appointed 30 April 2001, resigned 11 September 2001)

Sean Thomas Gilbertson (appointed 18 April 2001)

Davide Guiliani (alternate) (appointed 4 March 2002)

Simon Harrington (alternate) (appointed 8 August 2001)

Fritz Henjes (appointed 25 September 2001)

Takuya Inohira (alternate) (appointed 2 April 2002)

DIRECTORS' REPORT**DIRECTORS AND THEIR INTERESTS (Continued)**

Noboru Kotake (appointed 18 April 2001, resigned 6 September 2001)

Andrew Murray Lloyd (appointed 18 April 2001)

Shizuo Ogawa (appointed 18 April 2001, resigned 6 September 2001)

Werner Preuss (appointed 18 April 2001, resigned 25 September 2001)

Justin Reizes (appointed 8 April 2002)

Alessandro Sartori (appointed 18 April 2001)

Peter Sceats (alternate) (appointed 24 September 2001)

Paul Grainger Townsend (appointed 18 April 2001)

Tetsuya Taki (appointed 6 September 2001)

Yasuhiko Tone (alternate) (appointed 18 April 2001, resigned 28 February 2002)

Mark Christopher Walters (appointed 18 April 2001) Chairman

The only director to hold shares in Global Coal is Sean Gilbertson. Preference shares are held via a 75% shareholding in GigaJoule Limited.

Preference shares of 1p each	
31 December 2001	18 April 2001 (Date of appointment)

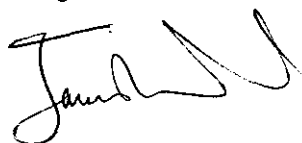
GigaJoule Limited	103,986	103,986
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On 21 March 2002 Sean Gilbertson subscribed for 60,000 ordinary shares in the company (see note 17).

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



James Ward

Secretary

25 April 2002

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOBAL COAL LIMITED

We have audited the financial statements of Global Coal Limited for the year ended 31 December 2001 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants and
Registered Auditors

25 April 2002

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2001

	Note	2001 £	Period from 5 June to 31 December 2000 £
TURNOVER	1	368,829	-
Cost of sales		(157,766)	-
Gross profit		<u>211,063</u>	-
Administrative expenses		<u>(1,342,714)</u>	-
OPERATING LOSS	4	<u>(1,131,651)</u>	-
Interest Receivable		<u>58,153</u>	-
RETAINED LOSS FOR YEAR		<u>(1,073,498)</u>	-
Retained profit brought forward		<u>-</u>	-
Retained loss carried forward		<u>(1,073,498)</u>	-

There have been no recognised gains and losses attributable to the shareholders other than the loss for the current year and the result for the previous period.

The results for the year represent the continuing operations of the company, acquired with the business of GigaJoule Limited.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS
Year ended 31 December 2001

	2001	Period from 5 June to 31 December 2000
	£	£
Loss for the financial year	(1,073,498)	-
New share capital subscribed	3,339,694	1
Net addition to shareholders' funds	2,266,196	1
Opening shareholders' funds	1	-
Closing shareholders' funds	2,266,197	1

BALANCE SHEET
31 December 2001

	Note	2001 £	2000 £
FIXED ASSETS			
Intangible assets	5	447,447	-
Tangible assets	6	483,959	-
		<u>931,406</u>	<u>-</u>
CURRENT ASSETS			
Debtors	7	61,620	-
Cash at bank and in hand		1,555,929	1
		<u>1,617,549</u>	<u>1</u>
CREDITORS: amounts falling due within one year	8	(282,758)	-
NET CURRENT ASSETS		<u>1,334,791</u>	<u>1</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,266,197</u>	<u>1</u>
PROVISIONS FOR LIABILITIES AND CHARGES	9	-	-
NET ASSETS		<u>2,266,197</u>	<u>1</u>
CAPITAL AND RESERVES			
Called up share capital	10	34,663	1
Share premium account	11	3,305,032	-
Profit and loss account	11	(1,073,498)	-
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>2,266,197</u>	<u>1</u>

These financial statements were approved by the Board of Directors on 25 April 2002.

Signed on behalf of the Board of Directors



Sean Gilbertson

Director

CASH FLOW STATEMENT
Year ended 31 December 2001

		2001	Period from 5 June to 31 December 2000
	Note	£	£
Net cash outflow from operating activities	12	(556,153)	-
Returns on investments and servicing of finance			
Interest received		58,153	-
Capital expenditure			
Payment to acquire tangible fixed assets		(95,421)	-
Acquisitions			
Net cash acquired on acquisition of business		102,008	-
Legal expenses paid on acquisition of business		(54,210)	-
		<hr/>	<hr/>
		(545,623)	-
Financing			
Issue of ordinary share capital		3,362,198	1
Repurchase of loan stock		(1,134,160)	-
Expenses paid in connection with share issues		(126,486)	-
		<hr/>	<hr/>
Net cash inflow from financing		2,101,551	1
		<hr/>	<hr/>
Increase in cash		1,555,928	1
		<hr/>	<hr/>

GLOBAL COAL LIMITED**NOTES TO THE ACCOUNTS****Year ended 31 December 2001****1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards under the historical cost convention. The particular accounting policies adopted are described below.

Income recognition

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and Value Added Tax.

Commissions receivable on trades are recognised immediately on execution.

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

Acquisitions

On the acquisition of a business, fair values are attributed to the company's share of net separable assets. Where the acquisition consideration exceeds the fair values attributable to such net assets the difference is treated as purchased goodwill and capitalised in the balance sheet in the year of acquisition.

The results and cash flows relating to a business are included in the profit and loss account from the date of acquisition.

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 in equal annual instalments over the estimated useful lives of the assets.

Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets as follows:

Fixtures and fittings	3 years
IT hardware and software	3 years

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatments for accounts and taxation purposes of transactions and events recognised in the financial statements of the current year previous year. Deferred taxation is calculated at the rates at which it is estimated that tax will arise. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered.

Pension costs

The Company has discharged its legal responsibility through the provision of a non-contributory stakeholder pension with Scottish Mutual Assurance plc.

Foreign Exchange

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.

NOTES TO THE ACCOUNTS

Year ended 31 December 2001

2. SEGMENTAL INFORMATION

The turnover and pre-tax profit, all of which arises in the United Kingdom, is attributable to one activity, the provision of an e-marketplace.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2001	Period from 5 June to 31 December 2000
	£	£
Directors' remuneration		
Fees	75,000	-
Discretionary bonus	25,000	-
	<u>100,000</u>	<u>-</u>
	No.	No.
Average number of persons employed		
Information technology	4	-
Sales and marketing	3	-
Administration	3	-
	<u>10</u>	<u>-</u>
	£	£
Staff costs during the year (including directors)		
Wages and salaries	497,792	-
Social security costs	54,157	-
	<u>551,949</u>	<u>-</u>

4. OPERATING LOSS

	2001	Period from 5 June to 31 December 2000
	£	£
Operating loss is stated after charging:		
Depreciation and amortisation	307,849	-
Operating lease payments:		
Plant and machinery	39,930	-
Auditors' remuneration:		
Audit fees	<u>15,000</u>	<u>-</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 2001

5. INTANGIBLE FIXED ASSETS

	Website £	Database £	Goodwill £	Total £
Cost				
At 1 January 2001	-	-	-	-
Additions	200,000	220,000	186,521	606,521
At 31 December 2001	200,000	220,000	186,521	606,521
Accumulated amortisation :				
At 1 January 2001	-	-	-	-
Charge for the year	(49,995)	(54,995)	(54,084)	(159,074)
At 31 December 2001	(49,995)	(54,995)	(54,084)	(159,074)
Net book value :				
At 31 December 2001	150,005	165,005	132,437	447,447
At 31 December 2000	-	-	-	-

The goodwill arising from the purchase of the trade and assets of GigaJoule Limited is amortised over three years.

The website and database are valued at their fair value at acquisition and are being amortised in equal annual amounts over a period of three years.

The directors regard the above amortisation periods as appropriate given the industry in which the business operates.

6. TANGIBLE FIXED ASSETS

	IT Hardware £	Fixtures and fittings £	Software	Total £
Cost:				
At 1 January 2001	-	-	-	-
Acquisitions	404,513	5,000	127,800	537,313
Additions	38,714	9	56,698	95,421
At 31 December 2001	443,227	5,009	184,498	632,734
Accumulated depreciation:				
At 1 January 2001	-	-	-	-
Charge for the year	(105,338)	(1,250)	(42,187)	(148,775)
At 31 December 2001	(105,338)	(1,250)	(42,187)	(148,775)
Net book value:				
At 31 December 2001	337,889	3,759	142,311	483,959
At 31 December 2000	-	-	-	-

NOTES TO THE ACCOUNTS
Year ended 31 December 2001

7. DEBTORS

	2001 £	2000 £
Trade debtors	23,104	-
Other debtors	15,666	-
Prepayments and accrued income	22,850	-
	<u>61,620</u>	<u>-</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2000 £
Trade creditors	43,299	-
Other taxation	35,502	-
Accruals and deferred income	203,957	-
	<u>282,758</u>	<u>-</u>

9. DEFERRED TAXATION

Deferred tax assets have not been recognised in respect of timing differences arising due to depreciation being in excess of capital allowances and losses carried forward, as there is insufficient evidence that the asset will be recovered. The total amount of the assets not recognised is £181,324.

10. CALLED UP SHARE CAPITAL

	2001 £	2000 £
Authorised:		
6,725,000 ordinary shares of 0.10p each (2000 : 100 ordinary shares of £1 each)	6,725	100
1 special deferred share of £1 (2000: Nil)	1	-
49,327,400 preference shares of 1p each (2000:Nil)	493,274	-
	<u>500,000</u>	<u>100</u>
Called up, allotted and fully paid:		
0 ordinary shares of 0.10p each (2000 : 1 ordinary share of £1)	-	1
1 special deferred share of £1 (2000: Nil)	1	-
3,466,177 preference shares of 1p each (2000: Nil)	34,662	-
	<u>34,663</u>	<u>1</u>

On 15 February 2001 the ordinary share capital of £1 was sold to Global HubCo BV and on 18 April 2001 converted into a special deferred share.

NOTES TO THE ACCOUNTS

Year ended 31 December 2001

10. CALLED UP SHARE CAPITAL (Continued)

On 18 April 2001 the company increased its authorised share capital from £100 to £500,000 by the creation of 6,725,000 new ordinary shares of 0.10p each and 49,327,400 preference shares of 1p each.

During the year the company allotted 3,362,198 preference shares with a total nominal value of £33,622. 3,362,191 of these shares were issued for a cash consideration of £3,362,191. The remaining 103,986 shares were issued in consideration for the business of GigaJoule Ltd at a premium of 99 pence per share.

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 declared but not paid; 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.

11. RESERVES

	Share premium account £	Profit and loss account £	Total £
At 1 January 2001	-	-	-
Premium on issue of preference shares (net of issue costs of £126,486)	3,305,032	-	3,305,032
Transfer from profit and loss account	-	(1,073,498)	(1,073,498)
At 31 December 2001	3,305,032	(1,073,498)	2,231,534

12. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2001 £
Operating loss	(1,131,651)
Depreciation & amortisation charge	307,849
Increase in debtors	(15,109)
Increase in creditors	282,758
Net cash outflow from operating activities	(556,153)

NOTES TO THE ACCOUNTS
Year ended 31 December 2001

13. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	£
Increase in cash in the year	1,555,928
Cash outflow from decrease in debt	1,134,160
Change in net funds from cashflows	2,690,089
Loan notes acquired from business of GigaJoule Ltd	(1,134,160)
Movement in net funds	1,555,928

14. ANALYSIS OF CHANGES IN NET FUNDS

	1 January 2001 £	Cash flows £	Acquisition £	31 December 2001 £
Cash in hand, at bank	1	1,555,928	-	1,555,929
Debt due within one year	-	1,134,160	(1,134,160)	-
	1	2,690,088	(1,134,160)	1,555,929

15. PURCHASE OF BUSINESS

On 18 April 2001 the trade and net assets of GigaJoule Ltd were acquired generating goodwill of £186,524. Further details of the acquisition are set out below:

	2001 £
Net assets acquired:	
Tangible fixed assets	537,313
Intangible assets	420,000
Debtors	46,511
Cash at bank and in hand	102,008
Creditors	(1,134,160)
Goodwill	186,524
	158,196
Satisfied by:	
Shares allotted	103,986
Legal expenses paid on acquisition of business	54,210
	158,196

In the opinion of the Directors the fair values of the net assets acquired are the same as the values attributed to the assets in the sale of business agreement, as set out in the table above.

NOTES TO THE ACCOUNTS

Year ended 31 December 2001

15. PURCHASE OF BUSINESS (Continued)

Prior to the purchase of the business of GigaJoule Ltd, the company was non-trading. Accordingly all operating cashflows in the year are generated directly from the assets purchased above.

£1,134,160 of loan notes acquired with the business were repaid in the year.

16. FINANCIAL COMMITMENTS

	2001 £	2000 £
Minimum lease payments due under operating leases expiring:		
Within one year	38,400	-
Within two to five years	90,000	-
	<u>128,400</u>	<u>-</u>

17. POST BALANCE SHEET EVENTS

On the 21 March 2002 employees subscribed for 148,947 0.1 penny ordinary shares at a price of 20 pence per share. Of this allocation Sean Gilbertson, the only employee director, subscribed for 60,000 shares. These shares carry restrictions which require the holder, upon leaving employment, to offer them back to the company at the original subscription price. The company is not obliged to repurchase the shares. These restrictions apply for a period of four years starting from the 18 April 2001 or date of employment if later.

18. 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.

In the opinion of the directors, there is no single controlling party given that the shareholder's 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.