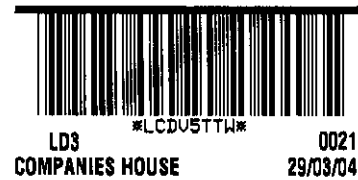


Global Coal Limited

ABBREVIATED ACCOUNTS

31 December 2003



AUDITORS' REPORT TO GLOBAL COAL LIMITED UNDER SECTION 247B COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5 together with the financial statements of the company for the year ended 31 December 2003 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

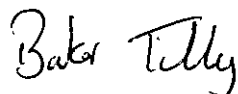
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.



BAKER TILLY
Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

23 March 2004

Global Coal Limited
 ABBREVIATED BALANCE SHEET
 31 December 2003

	Notes	2003 £	2002 £
FIXED ASSETS			
Intangible assets		-	-
Tangible assets	1	116,765	390,545
		<u>116,765</u>	<u>390,545</u>
CURRENT ASSETS			
Debtors			
- due within one year		234,601	256,688
- due after one year		47,314	58,668
Cash at bank and in hand		1,394,694	1,266,791
		<u>1,676,609</u>	<u>1,582,147</u>
CREDITORS: Amounts falling due within one year		(316,090)	(186,620)
NET CURRENT ASSETS		<u>1,360,519</u>	<u>1,395,527</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,477,284</u>	<u>1,786,072</u>
CAPITAL AND RESERVES			
Called up share capital	2	34,817	34,817
Share premium account		3,335,668	3,335,668
Profit and loss account		(1,893,201)	(1,584,413)
SHAREHOLDERS' FUNDS		<u>1,477,284</u>	<u>1,786,072</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board on 23 March 2004



MC Walters

Director

Global Coal Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

All accounting policies are consistent with those applied in prior periods.

INCOME RECOGNITION

Turnover represents amounts derived, net of Value Added Tax and trade discounts, 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.

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.

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:

Fixtures and fittings	3 years
IT hardware and software	3 years
Licences	2 years
Website	3 years

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 company's taxable profits and its results as stated 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.

PENSION COSTS

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

Global Coal Limited

ACCOUNTING POLICIES

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.

BRANCHES

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.

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

Global Coal Limited

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 2003

1 FIXED ASSETS

	Intangible assets £	Tangible assets £	Total £
Cost			
1 January 2003	405,174	884,776	1,289,950
Additions	-	24,617	24,617
31 December 2003	405,174	909,393	1,314,567
Depreciation			
1 January 2003	405,174	494,231	899,405
Charged in the year		298,397	298,397
31 December 2003	405,174	792,628	1,197,802
Net book value			
31 December 2003	-	116,765	116,765
31 December 2002	-	390,545	390,545

2 SHARE CAPITAL

	2003 £	2002 £
Authorised:		
6,725,000 ordinary shares of 0.1p each	6,725	6,725
1 special deferred share of £1	1	1
49,327,400 preference shares of 1p each	493,274	493,274
	500,000	500,000
Allotted and fully paid:		
153,947 ordinary shares of 0.1p each	154	154
1 special deferred share of £1	1	1
3,466,184 preference shares of 1p each	34,662	34,662
	34,817	34,817

3 TRANSACTION WITH DIRECTORS

Takuya Inohira, a director of the company, is employed by EPDC Overseas Coal Corporation Ltd and is being seconded to Global Coal Limited. Global Coal Limited paid £25,000 to EPDC Overseas Coal Corporation Ltd for Takuya Inohira's services during the year