

GOITRE TOWER ANTHRACITE LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015



Gerald Thomas
Chartered Accountants and Statutory Auditor
3 New Mill Court
Swansea Enterprise Park
Swansea
SA7 9FG

GOITRE TOWER ANTHRACITE LIMITED (REGISTERED NUMBER: 02984129)

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FOR THE YEAR ENDED 30 JUNE 2015**

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GOITRE TOWER ANTHRACITE LIMITED

COMPANY INFORMATION FOR THE YEAR ENDED 30 JUNE 2015

DIRECTORS:	T O'Sullivan OBE G N Davies OBE A Shott V R James G J Roberts
SECRETARY:	G N Davies OBE
REGISTERED OFFICE:	Treherbert Road Hirwaun Aberdare CF44 9UF
REGISTERED NUMBER:	02984129 (England and Wales)
SENIOR STATUTORY AUDITOR:	Brian Garland
AUDITORS:	Gerald Thomas Chartered Accountants and Statutory Auditor 3 New Mill Court Swansea Enterprise Park Swansea SA7 9FG
BANKERS:	Barclays Bank Plc National Westminster Bank Plc

GOITRE TOWER ANTHRACITE LIMITED (REGISTERED NUMBER: 02984129)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2015

The directors present their report with the financial statements of the company for the year ended 30 June 2015.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a holding company for the investment in group undertakings carrying out coal mining related activities in Wales.

DIVIDENDS

Dividends of £1,048,225 were paid in the year (2014 - £1,048,225).

DIRECTORS

The directors of the company, who served throughout the year, are shown on page 1.

GOING CONCERN

After making enquiries the directors have a reasonable expectation that the company has adequate resources to continue in existence for the foreseeable future and believe it is appropriate to use the going concern basis of preparation for these financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

GOITRE TOWER ANTHRACITE LIMITED (REGISTERED NUMBER: 02984129)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2015**

AUDITORS

The auditors, Gerald Thomas, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


G N Davies OBE - Secretary

31 May 2016

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GOITRE TOWER ANTHRACITE LIMITED

We have audited the financial statements of Goitre Tower Anthracite Limited for the year ended 30 June 2015 on pages six to twelve. 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 a Report of the Auditors 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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2015 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.

Emphasis of matter - going concern

Without qualifying our opinion, we draw attention to the disclosure in note 1 to the financial statements, concerning the company's ability to continue as a going concern for the foreseeable future, in light of the challenging trading conditions facing the joint-venture company of its subsidiary undertaking.

These conditions as described in note 1 indicate the existence of an uncertainty which may cast significant doubt about the company's ability to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GOITRE TOWER ANTHRACITE LIMITED

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



Brian Garland (Senior Statutory Auditor)
for and on behalf of Gerald Thomas
Chartered Accountants and Statutory Auditor
3 New Mill Court
Swansea Enterprise Park
Swansea
SA7 9FG

Date: 31/May 2016

GOITRE TOWER ANTHRACITE LIMITED (REGISTERED NUMBER: 02984129)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 £	2014 £
TURNOVER		-	-
OPERATING PROFIT	3	-	-
Income from shares in group undertakings		1,048,225	1,048,225
Interest receivable and similar income		-	32
		<u>1,048,225</u>	<u>1,048,257</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,048,225	1,048,257
Tax on profit on ordinary activities	4	-	-
PROFIT FOR THE FINANCIAL YEAR		<u>1,048,225</u>	<u>1,048,257</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these financial statements

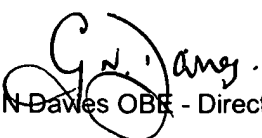
GOITRE TOWER ANTHRACITE LIMITED (REGISTERED NUMBER: 02984129)

BALANCE SHEET 30 JUNE 2015

	Notes	2015 £	2014 £
FIXED ASSETS			
Investments	6	9,200,000	9,200,000
CURRENT ASSETS			
Debtors	7	899,787	898,311
Cash at bank		30,245	31,721
		<u>930,032</u>	<u>930,032</u>
NET CURRENT ASSETS		<u>930,032</u>	<u>930,032</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,130,032</u>	<u>10,130,032</u>
CREDITORS			
Amounts falling due after more than one year	8	<u>7,732,000</u>	<u>7,732,000</u>
NET ASSETS		<u><u>2,398,032</u></u>	<u><u>2,398,032</u></u>
CAPITAL AND RESERVES			
Called up share capital	9	2,162,000	2,162,000
Share premium	10	223,000	223,000
Profit and loss account	10	<u>13,032</u>	<u>13,032</u>
SHAREHOLDERS' FUNDS	13	<u><u>2,398,032</u></u>	<u><u>2,398,032</u></u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 31 May 2016 and were signed on its behalf by:


G N Dawes OBE - Director


A Shott - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

1. ACCOUNTING POLICIES

Basis of preparation of the financial statements

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current and the prior financial year, are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Financial reporting standard number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more than likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

Going concern

In preparing the financial statements, the directors have considered the current financial position of the company and the likely future cash flows.

At the date of signing the financial statements, Tower Regeneration Limited - the joint-venture undertaking of the company's subsidiary Tower Colliery Limited, continues to face challenging trading conditions, in particular a reduction in the market price for coal and the recent announcement by their main existing customer RWE to potentially cease taking delivery of Welsh Coal at Aberthaw power station after March 2017.

The directors of Tower Regeneration Limited are considering the company's plans for future coal off-take and a shortened mining plan or a combination of these two factors in light of this announcement and have obtained confirmation from Hargreaves Services Plc that it will support Tower Regeneration Limited and its subsidiary financially for the next twelve months. Furthermore discussions are on-going to maximise the potential for future regeneration and development of the site.

Therefore after making appropriate enquiries, the directors have a reasonable expectation that the company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

GOITRE TOWER ANTHRACITE LIMITED (REGISTERED NUMBER: 02984129)

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 JUNE 2015

2. STAFF COSTS

The directors were the only employees of the company during the current and prior year.

The company's directors are also directors of Tower Colliery Limited and are remunerated by Tower Colliery Limited for their services to the group as a whole. It is not practicable to allocate their remuneration between their services to the company and other group entities.

3. OPERATING PROFIT

The operating profit is stated after charging:

	2015 £	2014 £
Directors' remuneration and other benefits etc	<u>-</u>	<u>-</u>

The cost of the annual return, audit fees and taxation fees were borne by the subsidiary undertaking, Tower Colliery Limited.

4. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 30 June 2015 nor for the year ended 30 June 2014.

5. DIVIDENDS

	2015 £	2014 £
A Ordinary shares of £1 each Interim	<u>1,048,225</u>	<u>1,048,225</u>

6. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 July 2014 and 30 June 2015	<u>9,200,000</u>
NET BOOK VALUE	
At 30 June 2015	<u>9,200,000</u>
At 30 June 2014	<u>9,200,000</u>

GOITRE TOWER ANTHRACITE LIMITED (REGISTERED NUMBER: 02984129)

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 JUNE 2015

6. FIXED ASSET INVESTMENTS - continued

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Tower Colliery Limited

Country of incorporation: England & Wales

Nature of business: Coal mining related activities

	% holding	2015	2014
Class of shares:		£	£
Ordinary	100.00		
Aggregate capital and reserves		12,381,137	13,030,921
Profit for the year		398,441	981,828

Welsh Dragon Coal Limited

Country of incorporation: England & Wales

Nature of business: Not trading

	% holding	2015	2014
Class of shares:		£	£
Ordinary	100.00		
Aggregate capital and reserves		(135,389)	(135,389)
Loss for the year		-	(714)

Investment in 100% subsidiary has been fully provided for given the net liability position at the balance sheet date.

Tower Energy Resources Limited

Country of incorporation: England & Wales

Nature of business: Not trading

	% holding	2015	2014
Class of shares:		£	£
Ordinary	100.00		
Aggregate capital and reserves		162,616	162,616

Tower Energy Resources Limited is a 100% subsidiary of Tower Colliery Limited, which is a wholly owned subsidiary of Goitre Tower Anthracite Limited.

GOITRE TOWER ANTHRACITE LIMITED (REGISTERED NUMBER: 02984129)

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 JUNE 2015

6. FIXED ASSET INVESTMENTS - continued

Joint venture

Tower Regeneration Limited

Nature of business: Surface mine development and regeneration

Class of shares:	% holding
Ordinary	50.00

	2015 £	31/5/14 £
Aggregate capital and reserves	14,793,000	10,848,000
Profit for the year	3,948,000	3,523,000

Tower Regeneration Limited is a joint venture of Tower Colliery Limited, a wholly owned subsidiary of Goitre Tower Anthracite Limited.

The company has 50 ordinary and 65 A shares in Tower Regeneration Limited. The A shares do not have any voting rights and therefore it is a joint venture.

The financial position and results of Tower Regeneration Limited, as above are from the consolidated financial statements, including Tower Regeneration Leasing Limited, a 100% subsidiary of Tower Regeneration Limited.

The group's share of Tower Regeneration Limited is disclosed in the consolidated financial statements of Goitre Tower Anthracite Limited for the year ended 30 June 2015.

7. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015 £	2014 £
Amounts owed by group undertakings	899,787	898,311

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015 £	2014 £
Amounts owed to group undertakings	7,732,000	7,732,000

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015 £	2014 £
1,247,204	A Ordinary	£1	1,248,000	1,248,000
846,076	C Ordinary	£1	846,000	846,000
68,355	D Ordinary	£1	68,000	68,000
			2,162,000	2,162,000

All ordinary shares have equal rights to dividends and repayment of capital. 'C' and 'D' ordinary shares have no voting rights.

GOITRE TOWER ANTHRACITE LIMITED (REGISTERED NUMBER: 02984129)

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 JUNE 2015

10. RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 July 2014	13,032	223,000	236,032
Profit for the year	1,048,225		1,048,225
Dividends	(1,048,225)		(1,048,225)
	<u>13,032</u>	<u>223,000</u>	<u>236,032</u>
At 30 June 2015	<u>13,032</u>	<u>223,000</u>	<u>236,032</u>

11. RELATED PARTY DISCLOSURES

Dividends of £1,048,225 (2014 - £1,048,225) were paid to the directors during the year, as follows, £1,970 (2014 - £1,970) to T O'Sullivan OBE, £4,001 (2014 - £4,001) to G N Davies OBE, £3,032 (2014 - £3,032) to A Shott, £4,001 (2014 - £4,001) to V R James, and £1,095 (2014 - £1,095) to G J Roberts.

Amounts owed by group undertakings include £899,787 (2014 - £898,311) owing from the subsidiary undertaking Tower Colliery Limited. The balances are interest free and have no fixed repayment terms other amounts are not required to be paid within one year.

Amounts owed to group undertakings £7,732,000 (2014 - £7,732,000) are owed to the subsidiary undertaking Tower Colliery Limited. The amounts are un-secured, interest-free and have no fixed dates for repayment except that they will not be required to be paid within one year.

12. ULTIMATE CONTROLLING PARTY

There is no single controlling party.

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Profit for the financial year	1,048,225	1,048,257
Dividends	(1,048,225)	(1,048,225)
Net addition to shareholders' funds	-	32
Opening shareholders' funds	2,398,032	2,398,000
Closing shareholders' funds	<u>2,398,032</u>	<u>2,398,032</u>

GOITRE TOWER ANTHRACITE LIMITED (REGISTERED NUMBER: 02984129)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2015

	2015		2014	
	£	£	£	£
Income		-		-
Other income				
Shares in group undertakings	1,048,225		1,048,225	
Deposit account interest	-		32	
	<u> </u>	1,048,225	<u> </u>	1,048,257
		<u>1,048,225</u>		<u>1,048,257</u>
NET PROFIT		<u>1,048,225</u>		<u>1,048,257</u>

This page does not form part of the statutory financial statements