Bisichi Mining PLC *Annual Report 2013*

BISICHI

Bisichi Mining PLC *Annual Report 2013*

CREATING SUSTAINABLE VALUE FOR OUR STAKEHOLDERS

Contents

Earnings before interest, tax, depreciation and amortisation (EBITDA) of £3.0million (£4.7million)

Agreement to purchase 2.3million tonnes of high quality Run of Mine coal from nearby opencast reserve

UK property portfolio continues to perform well with voids at the very low level of 2.13%

STRATEGIC REPORT

CHAIRMAN'S STATEMENT

In the year to 31 December 2013 your Company achieved earnings before interest, tax, depreciation and amortisation (EBITDA) of £3.0 million (2012: £4.7 million).

As we stated in the Interim Report, the year started well for your Company with a strong performance in the first six months at Black Wattle, our South African coal mining subsidiary. However, as we reported in the Interim Management Statement, in the final quarter of 2013 our open cast mining operations at Black Wattle were severely impacted when one of our main production pits ran into unrecorded old underground workings. The prompt action taken by your management ensured that the mine recovered quickly from this incident, but the production lost from this area had to be made up by increased production from one of our higher cost pits. Inevitably, this has had an adverse impact on profitability. We expect the mine to return to acceptable levels of profitability in the second half of 2014 when we return to full production from our lower cost pits.

Looking forward, we are pleased to report that Black Wattle has concluded an agreement with Blue Nightingale Trading 817 (Pty) Ltd ("Blue Nightingale"), a black owned and managed mining company, to purchase Run of Mine coal from an opencast reserve adjacent to our existing mine. This reserve consists of approximately 2.3 million tonnes of high quality coal with very low stripping ratios. This is the second mining agreement we have concluded with Blue Nightingale and we are very pleased to be involved with them in the development of another reserve.

We are also pleased to report that Black Wattle continues to perform well under the Quattro Programme which allows junior black-economic empowerment coal producers direct access to the coal export market via Richards Bay Coal Terminal. During 2013 the mine railed 266,000 metric tonnes (2012: 160,000 metric tonnes) through the programme.

We would like to thank Vunani Limited, our black-economic empowered shareholders at Black Wattle for managing and developing this opportunity.

Despite the fact that coal markets have been affected by weak international coal prices, the physical demand for our coal continues to remain strong in both the domestic and export markets. Nevertheless we expect depressed coal prices to continue for the whole of 2014.

Meanwhile, the Company's UK retail property portfolio, which underpins the Group and which is actively managed by London & Associated Properties PLC, continues to perform well. Despite the regional location of our portfolio, voids across the portfolio were at the extraordinarily low level of 2.13%.

Given all of the above but also taking into account the strength and diversification of our business, your directors have decided to hold the dividend at the 2012 level and will recommend to you, our shareholders, a final dividend of 3p (2012: 3p) payable on 1 August 2014 to shareholders registered at the close of business on 4 July 2014 making the total for the year 4p.

On behalf of the Board, I would like to thank all of our staff for their hard work during the year.

Michael Heller

Sir Michael Heller
Chairman

17 April 2014

EQUALITY

Black Wattle Colliery has achieved 18.5 percent women in core mining and has exceeded the 10% target of women in management and core mining.

PROCUREMENT

At present, BEE companies provide approximately 80 percent of Black Wattle's equipment and services.

MINING REVIEW

The strong earnings and momentum achieved in the first half of the year at Black Wattle, our South African coal mining operation, were hampered in the second half of the year when mining was affected at one of our main production pits, where we mined into old underground workings which were never recorded on any historical mine plan. Looking forward to 2014, we expect to see the mine to return to acceptable levels of profitability by the second half of the year. With new reserves to develop and strong demand for our coal we remain highly confident on the prospects of our coal mining activities in South Africa.

Production and operations

Run of mine production from Black Wattle remained strong in 2013 with total production for the year of 1.77million metric tonnes (2012: 1.87million metric tonnes). Despite the setbacks in the last quarter the mine continued to source coal from various opencast pits ensuring a steady state of production throughout the year.

As announced in the Chairman's Statement, we are very pleased to report that Black Wattle has concluded an agreement with Blue Nightingale, a South African black owned and managed mining company, to purchase Run of Mine coal from an opencast reserve close to Black Wattle's existing opencast mine. This is the second agreement concluded between us and we are very pleased to be continuing our successful relationship. The new reserve consists of approximately 2.3million tonnes of coal which can be sold either directly to local power utilities or transported to Black Wattle where it will be washed and sold into our existing domestic and export markets.

At the end of last year we began relocating machinery to two of our profitable production pits. Looking forward into 2014, Black Wattle will plan to increase production from these two areas as well as begin the development of the new reserve at Blue Nightingale.

Main trends/markets

International coal prices continued to weaken. At the beginning of 2013, the average weekly price of Free on Board (FOB) Coal from Richards Bay Coal Terminal (API4) was $89. By the end of the first half of the year the price had weakened to under $75 where it remained range bound for most of the rest of the year, a far cry from the prices achieved above $120 two years previously in 2011. A depreciation in the South African Rand against the US Dollar has helped offset this decline but since the beginning of 2013 to date we have seen only a marginal increase in the Rand export coal price.

Health, Safety & Environment (HSE)

Black Wattle is committed to creating a safe and healthy working environment for its employees and the health and safety of our employees is of the utmost importance.

HSE performance in 2013:

- No new cases of Occupational Diseases were recorded.
- Zero claims for the Compensation for Occupational Diseases were submitted.
- No machines operating at Black Wattle exceeded the regulatory noise level.
- Black Wattle Colliery recorded one Lost time Injury during 2013.

In addition to the required personnel appointments and assignment of direct health and safety responsibilities on the mine, a system of Hazard Identification and Risk Assessments has been designed, implemented and maintained at Black Wattle.

Health and Safety training is conducted on an ongoing basis. We are pleased to report all employees to date have received training in hazard identification and risk assessment in their work areas.

A medical surveillance system is also in place which provides management with information used in determining measures to eliminate, control and minimise employee health risks and hazards and all Occupational Health hazards are monitored on an ongoing basis.

Various systems to enhance the current HSE strategy have been introduced as follows:

- In order to improve hazard identification before the commencing of tasks, mini risk assessment booklets have been distributed to all mine employees and long term contractors on the mine.
- A Job Safety Analysis form has been introduced to ensure effective identification of hazards in the workplace.
- In order to improve the current reporting practice of incidents on the mine, initial reporting of incidents booklets were handed out to all employees and contractors.
- In order to capture and record investigation findings from incidents, an incident recording sheet was introduced to line management and contractors.
- Black Wattle Colliery utilises ICAM (Incident cause analysis method).
- Hazard Identification and Risk Assessment training was given to all levels of employees, line management, Heads of Departments, contractor representatives and contractor employees.
- Ongoing training on conveyor belt operation is being conducted with all employees involved with this discipline.

Environment Management Programme

Under the terms of the mine's Environmental Management Programme approved by the Department of Mineral Resource ("DMR"), Black Wattle undertakes a host of environmental protection activities to ensure that the approved Environmental Management Plan is fully implemented. In addition to these routine activities, Black Wattle regularly carries out environmental monitoring activities on and around the mine, including evaluation of ground water quality, air quality, noise and lighting levels, ground vibrations, air blast monitoring, and assessment of visual impacts.

Black Wattle is fully compliant with the regulatory requirements of the Department of Water Affairs and Forestry and has an approved and externally audited water use licence.

Black Wattle Colliery has substantially improved its water management by erecting and upgrading all its pollution control dams in consultation with the Department of Water Affairs and Forestry.

A performance assessment audit was conducted to verify compliance to our Environmental Management Programme and no significant deviations were found.

Black Wattle Colliery Social and Labour Plan (SLP) progress

Black Wattle Colliery is committed to true transformation and empowerment as well as poverty eradication within the surrounding and labour providing communities.

Black Wattle is committed to providing opportunities for the sustainable socio-economic development of its stakeholders, such as:

- Employees and their families, through Skills Development, Education Development, Human Resource Development, Empowerment and Progression Programmes.
- Surrounding and labour sending communities, through Local Economic Development, Rural and Community Development, Housing and Living Condition, Enterprise Development and Procurement Programmes; and
- Empowerment partners, through Broad-Based Black Economic Empowerment (BBBEE) and Joint Ventures with Historically Disadvantaged South African (HDSA) new mining entrants and enterprises.
- The Company engages in ongoing consultation with its stakeholders to develop strong company-employee relationships, strong company-community relationships and strong company-HDSA enterprise relationships.

The key focus areas in terms of the detailed SLP programmes were updated as follows:

- New implementation action plans, projects, targets and budgets were established through regular workshops with all stakeholders.
- A comprehensive desktop socio-economic assessment was undertaken on baseline data of the Steve Tshwete Local Municipality (STLM) and Nkangala District Municipality (NDM).
- The current Black Wattle Colliery Local Economic Development (LED) programmes were upgraded, and new LED projects were selected in consultation with the key stakeholders from the STLM.
- An appropriate forum was established on the mine and a process initiated for the consultation, empowerment and participation of the employee representatives in the Black Wattle Colliery SLP process.
- Black Wattle Colliery has concluded extensive work on various Agricultural projects as well as the E-Bag Recycling projects. The E-Bag Recycling project aims to minimize the environmental impact of post-consumer Polyethylene Terephthalate plastic (PET) on the South African landscape. The project was awarded the PET Entrepreneur award for 2013 and the project was awarded a new bailing machine as part of the award. An additional piece of ground has been identified to extend the project to a different area within the Mhluzi Township nearby to Black Wattle.
- Various upgrades were initiated at the Evergreen School nearby to Black Wattle including upgrades to the roof, classrooms and outer areas.

Procurement

In compliance with the Mining Charter and the Mineral and Petroleum Resource Development Act, Black Wattle has implemented a BBBEE-focussed procurement policy which strongly encourages our suppliers to establish and maintain BBBEE credentials. At present, BBBEE companies provide approximately 80 percent of Black Wattle's equipment and services. We closely monitor our monthly expenditure and welcome potential BBBEE suppliers to compete for equipment and service contracts at Black Wattle. Black Wattle also sells much of its coal products to empowered companies.

Black Wattle Colliery is proud to announce that we are a level 5 BBBEE contributor.

Employment in South Africa

As part of Black Wattle's commitment to the South African government Mining Charter, the Company seeks to:

- Expand opportunities for historically disadvantaged South Africans (HDSAs), including women, to enter the mining and minerals industry and benefit from the extraction and processing of the country's resources;
- Utilise the existing skills base for the empowerment of HDSAs; and
- Expand the skills base of HDSAs in order to serve the community.

In addition Black Wattle is committed to achieving the goals of the South African Employment Equity Act and is pleased to report the following:

- Black Wattle Colliery has exceeded the 10 percent women in management and core mining target.
- Black Wattle Colliery has achieved 18.5 percent women in core mining.
- 94 percent of the women at Black Wattle Colliery are HDSA females.

In terms of staff training some highlights for 2013 were:

- 18 employees were trained in ABET (Accreditation Board for Engineering and Technology) level one;
- An additional 4 disabled women have started training on ABET level one and two; and
- Plans have been put in place for 2014 for a further 11 employees to be trained on ABET level one, two or three and 1 employee will be trained on ABET level four.

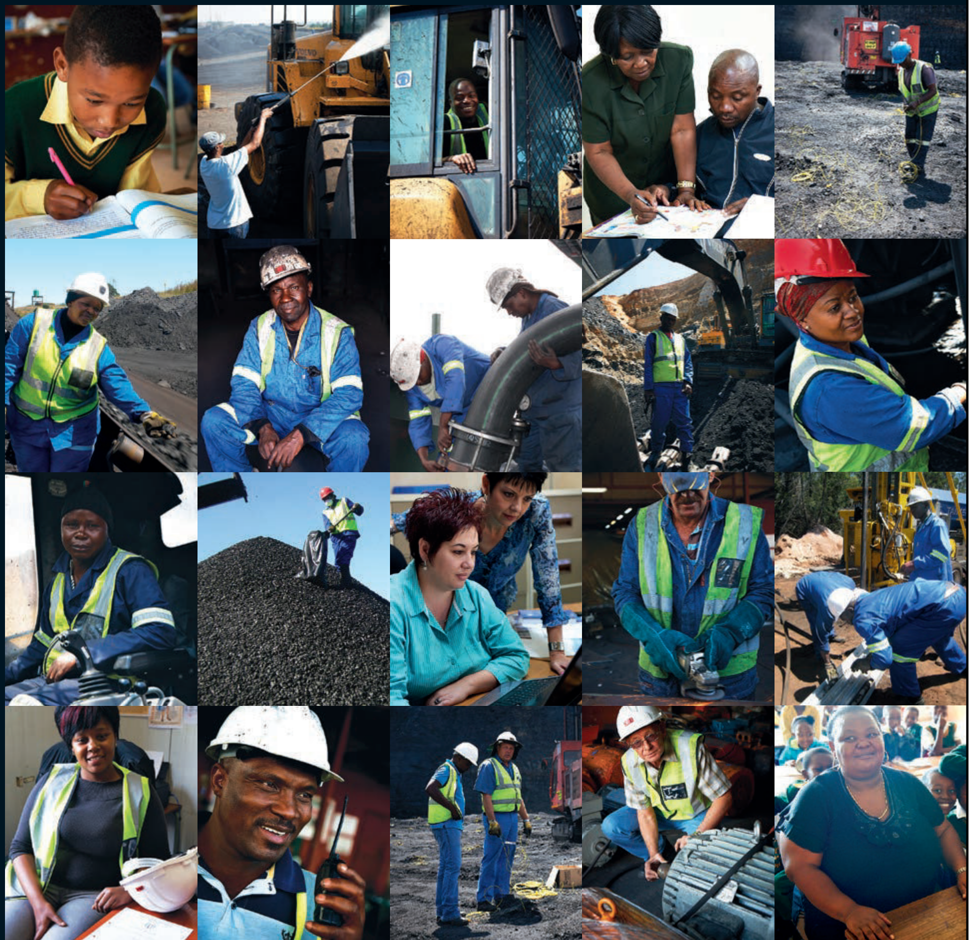
Prospects

Management continue to remain confident in the ability to achieve significant value from our existing South African mining operations and in acquiring and developing new coal reserves, in partnership with our BEE partners.

As a result, I look forward to the coming year with confidence.

Andrew Heller
Managing Director

17 April 2014



PEOPLE

Black Wattle is committed to providing opportunities for the sustainable socio-economic development of its employees.

COMMUNITY

Black Wattle is committed to providing opportunities for surrounding and labour sending communities through its Local Economic Development programme.

RISK & PERFORMANCE

The directors present the Strategic Report of the Company for the year ending 31 December 2013. The aim of the Strategic report is to provide shareholders with the ability to assess how the Directors have performed their duty to promote the success of the Company for the collective benefit of shareholders.

Business review

The Chairman's Statement and the Mining Review which form part of the Strategic Report on the preceding pages 2 to 7 give a comprehensive and fair review of the group's activities during the past year and prospects for the forthcoming year.

Principal activity, strategy & business model

The Company carries on business as a mining company and its principal activity is coal mining in South Africa. The Company's strategy is to create and deliver long terms sustainable value to our stakeholders through our business model which can be broken down into four key areas:

- acquiring and securing additional coal reserves in South Africa
- coal mining
- coal washing
- coal transportation and marketing

In addition to the four key areas outlined above, we seek to balance the high risk of our mining operations with a dependable cash flow from our UK property investment operations. The Company invests in retail property across the UK. The UK property portfolio is managed by London & Associated Properties PLC whose responsibility is to actively manage the portfolio to improve rental income and thus enhance the value of the portfolio over time.

Risk & uncertainties

Coal price risk: The group's mining operational earnings are largely dependent on movements in the coal price.

Coal washing: The group's mining operation's earnings are highly sensitive to coal washing, therefore a stoppage or disruption to the process could significantly impact earnings. However, there is scope to raise earnings substantially if the yield from the washing process is improved even marginally.

Mining risk: Attached to mining there are inherent health and safety risks. Any such safety incidents disrupt operations, and can slow or even stop production. The group has a comprehensive Health and Safety programme in place to mitigate this. As with many mining operations, the reserve that is mined has the risk of not having the qualities and accessibility expected from geological and environmental analysis.

Currency risk: The group's South African operations are sensitive to currency movements, especially those between the South African Rand, US Dollar and British Pound.

New reserves and mining permissions: The acquisition of additional reserves, permissions to mine and new mining opportunities in South Africa generally are contingent on a number of factors outside of the group's control, e.g. approval by the Department of Mineral Resources and the Department of Water Affairs and Forestry.

Regulatory risk: The group's South African operations are subject to the government Mining Charter and scorecard which primarily seeks to:

- Promote equitable access to South Africa's mineral resources for all people in South Africa;
- Expand opportunities for historically disadvantaged South Africans (HDSAs), including women, to enter the mining and minerals industry and benefit from the extraction and processing of the country's resources;
- Utilise the existing skills base for the empowerment of HDSAs;
- Expand the skills base of HDSAs in order to serve the community;
- Promote employment and the social and economic welfare of mining communities and areas supplying mining labour; and
- Promote beneficiation of South Africa's mineral commodities beyond mining and processing, including the production of consumer goods.

The group continues to make good progress towards meeting the Charter requirements. However any regulatory changes to these, or failure to meet existing targets, could adversely affect the mine's ability to retain its mining rights in South Africa.

Transport risk: At present the government owned Transnet Freight Rail (TFR) is the sole rail freight provider for coal in South Africa. The group's South African operations are therefore reliant on TFR for delivery of its export quality coal directly or indirectly via the Southern African ports to its end customers.

Power supply risk: The current utility provider for power supply in South Africa is the government run Eskom. Eskom continues to undergo capacity problems resulting in power cuts and lack of provision of power supply to new projects. The group's mining operations have to date not been affected by power cuts.

Flooding risk: The group's mining operations are susceptible to seasonal flooding which could disrupt production. Management monitors water levels on an ongoing basis and various projects have been completed, including the construction of additional dams, to mitigate this risk.

Environmental risk: The group's South African mining operations are required to adhere to local environmental regulations. Details of the groups Environment Management Programme are disclosed in the Mining Review on page 6.

Health & Safety risk: The group's South African mining operations are required to adhere to local Health and Safety regulations. Details of the group's Health and Safety Programme are disclosed in the Mining Review on page 5.

Labour risk: The group's mining operations and coal washing plant facility are labour intensive and unionised. Any labour disputes, strikes or wage negotiations may disrupt production and impact earnings.

Cashflow risk: We seek to balance the high risk of our mining operations with a dependable cash flow from our UK property investment operations. Fluctuations in property values, which are reflected in the Consolidated Income Statement and Balance Sheet, are dependent on an annual valuation of commercial properties. A fall in UK commercial property can have a marked effect on the profitability and the net asset value of the group. However, due to the long term nature of the leases, the effect on cash flows from property investment activities will remain stable as long as tenants remain in operation.

Key Performance Indicators

The Key Performance Indicators for the Group are:

	2013 £'000	2012 £'000
For South African mining activities:		
Earnings before interest, tax, depreciation, and amortisation (EBITDA)	**2,268**	4,520
For our UK property investment operations:		
Net property valuation	**11,559**	11,612
For the Group:		
Profit before tax	**102**	2,190
Earnings before interest, tax, depreciation, and amortisation (EBITDA)	**3,039**	4,684

Financial position

In the UK discussions are continuing with the Royal Bank of Scotland ("RBS") on the renewal of the current UK banking facilities, being a £5million term facility and a £1million overdraft. The bank has previously agreed to an extension, from its original expiry date of 31 December 2012, to 30th June 2013. Whilst discussions are on-going, no further extension has been formalised as the terms for a new facility are being negotiated. The directors consider that with the asset security available, the level of facilities required should be readily available and consider that a new loan will be agreed, either with RBS or an alternative provider, in the near future.

The property portfolio was externally valued at 31 December 2013 and the value of UK investment properties attributable to the group at year end was £11.6million (2012: £11.6million).

In South Africa, an increase in the structured trade finance facility from R60million (South African Rand) to R80million was signed by Black Wattle Colliery (pty) Limited ("Black Wattle") in October 2013 with Absa Bank Limited, a South African subsidiary of Barclays Bank PLC. The facility is renewed annually at 30 June and is secured against inventory, debtors and cash that are held in the group's South African operations. This facility comprises of a R60million revolving loan to cover the working capital requirements of the group's South African operations, and a R20million loan facility to cover guarantee requirements related to the group's South African mining operations. Subsequent to year end Black Wattle breached one of the covenants of the facility related to the accounting net asset value of the company. Management have been in discussions with the bank to rectify the breach and have no reason to believe the breach will not be rectified or affect the ongoing use of the facility or that the facility will not be renewed at the appropriate times.

The group's cash and cash equivalents (excluding bank overdrafts) at year end were £1.7million (2012: £1.8million). The net assets of the group at the year end were £17.0million (2012: £17.8million). During 2012 the Company lent £2million to Dragon Retail Properties Limited, our joint venture company at 6.875 per cent annual interest. This money is repayable on demand and not included in the groups cash and cash equivalents.

The group has considerable financial resources available at short notice including cash, held for trading investments and its £2m loan to Dragon Retail Properties Limited.

Further details on the group's financial position are stated in the Consolidated Balance Sheet on page 46.

Cashflow

The Company at year end had a net amount owing of cash and cash equivalents (including bank overdrafts) of £1.3 million (2012: net positive balance of £0.7million). Details on the group's cashflow position are stated in the Consolidated Cashflow Statement on page 49. Cash and cash equivalents as per the Cashflow Statement comprise Cash and cash equivalents as presented in the balance sheet and bank overdrafts (secured).

Environment

The group's UK activities are principally property investment whereby we provide premises which are rented to retail businesses. We seek to provide those tenants with good quality premises from which they can operate in an efficient and environmentally sound manner.

Further information relating to the Company's position on the Environment and Environmental Management issues related to our South African operations can be found in The Mining Review which forms part of the Strategic Report on the preceding pages 5 to 7.

Employment

Employment terms and conditions for our employees based at our UK office and at our South African mining operations are regulated by and are operated in compliance with all relevant prevailing national and local legislation. Employment terms and conditions provided to mining staff meet or exceed the national average.

Further information relating to the Company's position on Employment issues can be found in The Mining Review which forms part of the Strategic Report on the preceding pages 5 to 7.

Green House Gas reporting

We have reported on all of the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations.

The group has employed the Operational Control boundary definition to outline our carbon footprint boundary. Included within that boundary are Scope 1 & 2 emissions from coal extraction and onsite mining processes for Black Wattle Colliery. We have not measured and reported on our Scope 3 emissions sources. Excluded from the footprint boundary are emission sources considered non material by the group, including refrigerant use onsite.

We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and a methodology adapted from the Intergovernmental Panel on Climate Change (2006) to calculate fugitive emissions from surface coal mining activities. Further emission factors were used from UK Government's GHG Conversion Factors for Company Reporting 2014.

The Group's carbon footprint:

	2013 CO_2e Tonnes
Emissions source:	
Scope 1 Combustion of fuel & operation of facilities	**24,862**
Scope 2 Emissions from coal mining activities	**31,014**
Scope 3 Electricity, heat, steam and cooling purchased for own use	**9,947**
Total	**65,823**
Intensity:	
Intensity 1 Tonnes of CO_2 per pound sterling of revenue	**0.00188**
Intensity 2 Tonnes of CO_2 per tonne of coal produced	**0.0372**

Social, community and human rights issues

The Company believes that it is in the shareholders' interests to consider social and human rights issues when conducting business activities both in the UK and South Africa. Further information relating to the Company's position on social and community issues can be found in the Mining Review which form part of the Strategic Report on the preceding pages 5 to 7.

Directors, employees and gender representation

At the year end the group had 6 directors (6 male, 0 female), 7 senior managers (6 male, 1 female) and 227 employees (174 male, 50 female).

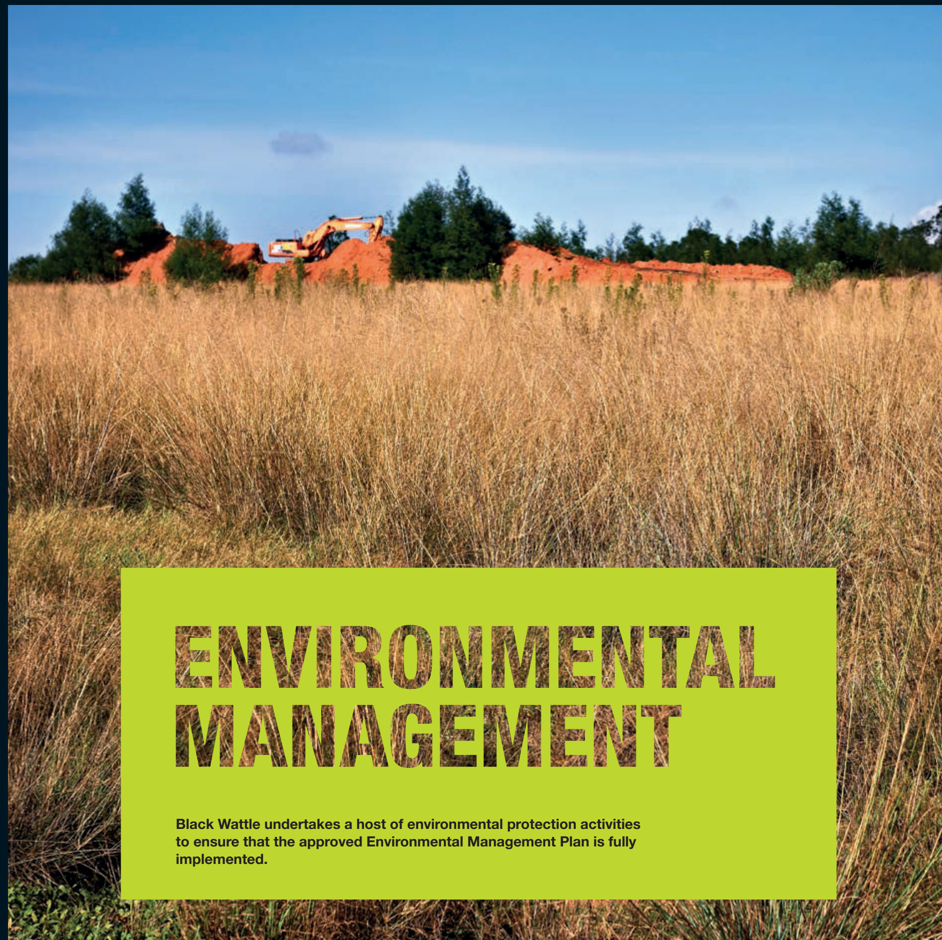
Future prospects

The group seeks to expand its operations in South Africa through the acquisition of additional coal reserves. Further information on the outlook of the Company can be found in both the Chairman's Statement on page 2 and the Mining Review on page 5 which form part of the Strategic Report.

Signed on behalf of the Board of Directors

Garrett Casey
Finance Director

17 April 2014

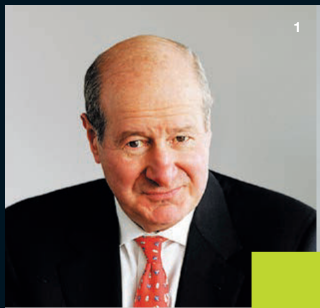


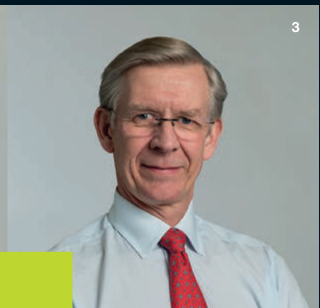
ENVIRONMENTAL MANAGEMENT

Black Wattle undertakes a host of environmental protection activities to ensure that the approved Environmental Management Plan is fully implemented.

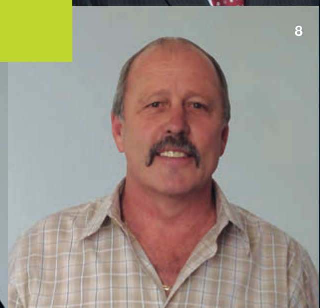
PRODUCT

Black Wattle produced 1.77million metric tonnes of Run of Mine coal in 2013 (2012: 1.87million metric tonnes).





OUR MANAGEMENT TEAM



Management team

1 **Sir Michael Heller**
Chairman
Bisichi Mining PLC

2 **Andrew Heller**
Managing Director
Bisichi Mining PLC,
Managing Director
Black Wattle Colliery

3 **Robert Corry**
Chairman
Black Wattle Colliery

4 **Christopher Joll**
Senior Independent
Director,
Chairman Audit
and Remuneration
Committees

5 **Garrett Casey**
Finance Director
Bisichi Mining PLC,
Director
Black Wattle Colliery

6 **Robert Grobler**
Director of Mining
Bisichi Mining PLC,
Director
Black Wattle Colliery

7 **Ethan Dube**
Director
Black Wattle Colliery

8 **Nico Serfontein**
Mine Manager
Black Wattle Colliery

Directors & advisors

* **Sir Michael Heller**
MA, FCA (Chairman)

Andrew R Heller
MA, ACA
(Managing Director)

Garrett Casey
CA (SA)
(Finance Director)

Robert Grobler
Pr Cert Eng
(Director of mining)

O+ **Christopher A Joll**
MA (Non-executive)
Christopher Joll was appointed a Director on 1 February 2001. He has held a number of non-executive directorships of quoted and un-quoted companies and is currently senior partner of MJ2 Events LLP an event management business.

O **John A Sibbald**
BL (Non-executive)
John Sibbald has been a Director since 1988. After qualifying as a Chartered Accountant he spent over 20 years in stockbroking, specialising in mining and international investment.

Secretary & Registered office
Heather A Curtis ACIS
24 Bruton Place
London W1J 6NE

Black Wattle Colliery Directors
Robert Corry (Chairman)
Andrew Heller (Managing Director)
Ethan Dube
Robert Grobler
Garrett Casey

Director of Property
Mike J Dignan FRICS

Company Registration
Company registration No. 112155
(Incorporated in England and Wales)

Website
www.bisichi.co.uk

E-mail
admin@bisichi.co.uk

* Member of the nomination committee
\+ Senior independent director
O Member of the audit, nomination and remuneration committees.

Auditor
BDO LLP

Principal bankers
United Kingdom
Barclays Bank PLC
National Westminster Bank PLC
Investec PLC

South Africa
ABSA Bank (SA)
First National Bank (SA)
Standard Bank (SA)

Corporate solicitors
United Kingdom
Olswang LLP, London
Memery Crystal, London
Fladgate LLP, London

South Africa
Tugendhaft Wapnick Banchetti and Partners, Johannesburg
Hogan Lovells, Johannesburg
Brandmullers Attorneys, Middelburg

Stockbrokers
Shore Capital & Corporate Ltd

Registrars and transfer office
Capita Asset Services
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FIVE YEAR SUMMARY

	2013 £'000	2012 £'000	2011 £'000	2010 £'000	2009 £'000
Consolidated income statement					
Revenue	**35,105**	35,962	29,909	32,824	29,016
Operating profit/ (loss)	**123**	2,568	(1,328)	(1,705)	4,892
Profit/ (loss) before tax	**102**	2,190	(1,450)	(1,813)	5,003
Trading Income	**17**	2,808	(1,210)	(2,209)	4,698
Revaluation Income	**85**	(618)	(240)	396	305
Profit before interest, taxation and depreciation	**3,039**	4,684	1,150	770	7,534
Consolidated balance sheet					
Investment properties	**11,559**	11,612	12,068	12,110	11,865
Fixed asset investments	**4,370**	4,309	2,727	3,757	3,755
	15,929	15,921	14,795	15,867	15,620
Current asset investments	**822**	787	2,515	605	510
	16,751	16,708	17,310	16,472	16,130
Other assets less liabilities less non-controlling interests	**(123)**	607	(537)	1,482	3,170
Total equity attributable to equity shareholders	**16,628**	17,315	16,773	17,954	19,300
Net assets per ordinary share	**156.3p**	164.0p	158.9p	171.8p	184.7p
Dividend per share	**4.00p**	4.00p	4.00p	4.00p	4.00p

GOVERNANCE

FINANCIAL CALENDAR

11 June 2014	Annual General Meeting	**18 November 2014**	Second interim management statement
1 August 2014	Payment of final dividend for 2013 (if approved)	**Late April 2015**	Announcement of results for year ending 31 December 2014
Late August 2014	Announcement of half-year results to 30 June 2014		

DIRECTORS' REPORT

The directors submit their report together with the audited financial statements for the year ended 31 December 2013.

Activities and review of business

The group continues its mining activities. Income for the year was derived from sales of coal from its South African operations. The group also has a property investment portfolio for which it receives rental income.

The results for the year and state of affairs of the group and the company at 31 December 2013 are shown on pages 44 to 84 and in the Strategic Report on pages 2 to 14. Future developments and prospects are also covered in the Strategic Report. Over 99 per cent. of staff are employed in the South African coal mining industry - employment matters and health and safety are dealt with in the Strategic Report.

The management report referred to in the Director's responsibilities statement encompasses this Directors' Report and Strategic Report on pages 2 to 14.

Corporate responsibility

Environment

The environmental issues of the group's South African coal mining operations are covered in the Strategic Report on pages 5 to 14.

The group's UK activities are principally property investment whereby premises are provided for rent to retail businesses. The group seeks to provide those tenants with good quality premises from which they can operate in an efficient and environmentally friendly manner. Wherever possible, improvements, repairs and replacements are made in an environmentally efficient manner and waste re-cycling arrangements are in place at all the company's locations.

Greenhouse Gas Emissions

Details of the group's greenhouse gas emissions for the year ended 31 December 2013 can be found on page 14 of the Strategic Report.

Employment

The group's policy is to attract staff and motivate employees by offering competitive terms of employment. The group provides equal opportunities to all employees and prospective employees including those who are disabled. The Strategic Report gives details of the group's activities and policies concerning the employment, training, health and safety and community support and social development concerning the group's employees in South Africa.

Dividend policy

An interim dividend for 2013 of 1p was paid on 1 February 2014 (Interim 2012: 1p). The directors recommend the payment of a final dividend for 2013 of 4p per ordinary share (2012: 3p) making a total dividend for 2013 of 4p (2012: 4p).

Subject to shareholder approval, the total dividend per ordinary share for 2013 will be 4p per ordinary share.

The final dividend will be payable on Friday 1 August 2014 to shareholders registered at the close of business on 4 July 2014.

Investment properties

The investment property portfolio is stated at its open market value of £11,559,000, at 31 December 2013 (2012: £11,612,000) as valued by professional external valuers. The open market value of the company's share of investment properties included within its investments in joint ventures is £3,599,000 (2012: £3,336,000).

Financial instruments

Note 21 to the financial statements sets out the risks in respect of financial instruments. The Board reviews and agrees overall treasury policies, delegating appropriate authority to the managing director. Financial instruments are used to manage the financial risks facing the group - speculative transactions are not permitted. Treasury operations are reported at each Board meeting and are subject to weekly internal reporting.

Directors

The directors of the company for the whole year were Sir Michael Heller, A R Heller, G J Casey, C A Joll, R J Grobler (a South African citizen), and J A Sibbald.

The director retiring by rotation is Mr G J Casey who offers himself for re-election.

Mr G J Casey has been an executive director of the company since 2010. He is a chartered accountant and has a contract of employment determinable at three months notice. The board recommends the re-election of G J Casey.

No director had any material interest in any contract or arrangement with the company during the year other than as shown in this report.

Directors' shareholdings

The interests of the directors in the shares of the company, including family and trustee holdings where appropriate, are shown on page 32 of the Annual Remuneration Report.

Substantial interests

The following have advised that they have an interest in 3 per cent. or more of the issued share capital of the company as at 15 April 2014:

London & Associated Properties PLC - 4,432,618 shares representing 41.52 per cent. of the issued capital. (Sir Michael Heller is a director and shareholder of London & Associated Properties PLC).

Sir Michael Heller -	330,117 shares representing 3.09 per cent. of the issued capital.
A R Heller -	785,012 shares representing 7.35 per cent. of the issued capital.
Cavendish Asset Management Limited -	1,569,110 shares representing 14.7 per cent. of the issued share capital.
James Hyslop -	341,126 shares representing 3.20 per cent. of the issued share capital.

Disclosure of information to auditor

The directors in office at 31 December 2013 have confirmed that they are aware that there is no relevant audit information of which the auditor is unaware. Each of the directors has confirmed that they have taken all reasonable steps they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Corporate governance

The company has adopted the Corporate Governance Code for Small and Mid-Size Quoted Companies (the QCA Code) published by the Quoted Companies Alliance. The QCA Code provides governance guidance to small and mid-size quoted companies. The paragraphs below set out how the company has applied this guidance during the year. The company has complied with the QCA Code throughout the year.

Principles of corporate governance

The group's Board appreciates the value of good corporate governance not only in the areas of accountability and risk management, but also as a positive contribution to business prosperity. The Board endeavours to apply corporate governance principles in a sensible and pragmatic fashion having regard to the circumstances of the group's business. The key objective is to enhance and protect shareholder value.

Board structure

During the year the Board comprised the executive chairman, the managing director, two other executive directors and two non-executive directors. Their details appear on page 19. The Board is responsible to shareholders for the proper management of the group. The Directors' responsibilities statement in respect of the accounts is set out on page 42. The non-executive directors have a particular responsibility to ensure that the strategies proposed by the executive directors are fully considered. To enable the Board to discharge its duties, all directors have full and timely access to all relevant information and there is a procedure for all directors, in furtherance of their duties, to take independent professional advice, if necessary, at the expense of the group. The Board has a formal schedule of matters reserved to it and meets bi-monthly.

The Board is responsible for overall group strategy, approval of major capital expenditure projects and consideration of significant financing matters.

The following Board committees, which have written terms of reference, deal with specific aspects of the group's affairs:

- *The nomination committee* is chaired by Christopher Joll and comprises the non-executive directors and the executive chairman. The committee is responsible for proposing candidates for appointment to the Board, having regard to the balance and structure of the Board. In appropriate cases recruitment consultants are used to assist the process. Each director is subject to re-election at least every three years.
- *The remuneration committee* is responsible for making recommendations to the Board on the company's framework of executive remuneration and its cost. The committee determines the contractual terms, remuneration and other benefits for each of the executive directors, including performance related bonus schemes, pension rights and compensation payments. The Board itself determines the remuneration of the non-executive directors. The committee comprises the non-executive directors. It is chaired by Christopher Joll. The company's executive chairman is normally invited to attend meetings. The report on directors' remuneration is set out on pages 30 to 34.

- *The audit committee* comprises the two non-executive directors and is chaired by Christopher Joll. Its prime tasks are to review the scope of external audit, to receive regular reports from the company's auditor and to review the half-yearly and annual accounts before they are presented to the Board, focusing in particular on accounting policies and areas of management judgment and estimation. The committee is responsible for monitoring the controls which are in force to ensure the integrity of the information reported to the shareholders. The committee acts as a forum for discussion of internal control issues and contributes to the Board's review of the effectiveness of the group's internal control and risk management systems and processes. The committee also considers annually the need for an internal audit function. It advises the Board on the appointment of external auditors and on their remuneration for both audit and non-audit work, and discusses the nature and scope of the audit with the external auditors. The committee, which meets formally at least twice a year, provides a forum for reporting by the group's external auditors. Meetings are also attended, by invitation, by the company chairman, managing director and finance director.

The audit committee also undertakes a formal assessment of the auditors' independence each year which includes:

- a review of non-audit services provided to the group and related fees;
- discussion with the auditors of a written report detailing all relationships with the company and any other parties that could affect independence or the perception of independence;
- a review of the auditors' own procedures for ensuring the independence of the audit firm and partners and staff involved in the audit, including the regular rotation of the audit partner; and
- obtaining written confirmation from the auditors that, in their professional judgement, they are independent.

The audit committee report is set out on page 40.

An analysis of the fees payable to the external audit firm in respect of both audit and non-audit services during the year is set out in Note 4 to the financial statements.

Performance evaluation – board, board committees and directors

The performance of the board as a whole and of its committees and the non-executive directors is assessed by the chairman and the managing director and is discussed with the senior independent director. Their recommendations are discussed at the nomination committee prior to proposals for re-election being recommended to the Board. The performance of executive directors is discussed and assessed by the remuneration committee. The senior independent director meets regularly with the chairman and both the executive and non-executive directors individually outside of formal meetings. The directors will take outside advice in reviewing performance but have not found this necessary to date.

Independent directors

The senior independent non-executive director is Christopher Joll. The other independent non-executive director is John Sibbald.

Christopher Joll has been a non-executive director for over ten years and John Sibbald has been a non-executive director for over twenty years. The Board encourages Christopher Joll and John Sibbald to act independently. The board considers that their length of service and connection with the company's public relations advisers, does not, and has not, resulted in their inability or failure to act independently. In the opinion of the Board, Christopher Joll and John Sibbald continue to fulfil their role as independent non-executive directors.

The independent directors regularly meet prior to Board meetings to discuss corporate governance issues.

Board and board committee meetings

The number of meetings during 2013 and attendance at regular Board meetings and Board committees was as follows:

		Meetings held	Meetings Attended
Sir Michael Heller	Board	5	5
	Nomination committee	1	1
A R Heller	Board	5	5
	Audit committee	2	2
G J Casey	Board	5	4
	Audit committee	2	2
R J Grobler	Board	5	2
C A Joll	Board	5	5
	Audit committee	2	2
	Nomination committee	1	1
	Remuneration committee	1	1
J A Sibbald	Board	5	5
	Audit committee	2	2
	Nomination committee	1	1
	Remuneration committee	1	1

Internal control

The directors are responsible for the group's system of internal control and review of its effectiveness annually. The Board has designed the group's system of internal control in order to provide the directors with reasonable assurance that its assets are safeguarded, that transactions are authorised and properly recorded and that material errors and irregularities are either prevented or would be detected within a timely period. However, no system of internal control can eliminate the risk of failure to achieve business objectives or provide absolute assurance against material misstatement or loss.

The key elements of the control system in operation are:

- The Board meets regularly with a formal schedule of matters reserved to it for decision and has put in place an organisational structure with clearly defined lines of responsibility and with appropriate delegation of authority;
- There are established procedures for planning, approval and monitoring of capital expenditure and information systems for monitoring the group's financial performance against approved budgets and forecasts;
- UK property and financial operations are closely monitored by members of the Board and senior managers to enable them to assess risk and address the adequacy of measures in place for its monitoring and control. The South African operations are closely supervised by the UK based executives through daily, weekly and monthly reports from the directors and senior officers in South Africa. This is supplemented by monthly visits by the UK based finance director to the South African operations which include checking the integrity of information supplied to the UK. The directors are guided by the internal control guidance for directors issued by the Institute of Chartered Accountants in England and Wales.

During the period, the audit committee has reviewed the effectiveness of internal control as described above. The Board receives periodic reports from its committees.

There are no significant issues disclosed in the Annual Report for the year ended 31 December 2013 (and up to the date of approval of the report) concerning material internal control issues. The directors confirm that the Board has reviewed the effectiveness of the system of internal control as described during the period.

Communication with shareholders

Communication with shareholders is a matter of priority. Extensive information about the group and its activities is given in the Annual Report, which is made available to shareholders. Further information is available on the company's website, www.bisichi.co.uk. There is a regular dialogue with institutional investors. Enquiries from individuals on matters relating to their shareholdings and the business of the group are dealt with informatively and promptly.

Takeover directive

The company has one class of share capital, ordinary shares. Each ordinary share carries one vote. All the ordinary shares rank pari passu. There are no securities issued in the company which carry special rights with regard to control of the company. The identity of all substantial direct or indirect holders of securities in the company and the size and nature of their holdings is shown under the "Substantial interests" section of this report above.

A relationship agreement dated 15 September 2005 (the "Relationship Agreement") was entered into between the company and London & Associated Properties PLC ("LAP") in regard to the arrangements between them whilst LAP is a controlling shareholder of the company. The Relationship Agreement includes a provision under which LAP has agreed to exercise the voting rights attached to the ordinary shares in the company owned by LAP to ensure the independence of the Board of directors of the company.

Other than the restrictions contained in the Relationship Agreement, there are no restrictions on voting rights or on the transfer of ordinary shares in the company. The rules governing the appointment and replacement of directors, alteration of the articles of association of the company and the powers of the company's directors accord with usual English company law provisions. Each director is re-elected at least every three years. The company is not party to any significant agreements that take effect, alter or terminate upon a change of control of the company following a takeover bid. The company is not aware of any agreements between holders of its ordinary shares that may result in restrictions on the transfer of its ordinary shares or on voting rights.

There are no agreements between the company and its directors or employees providing for compensation for loss of office or employment that occurs because of a takeover bid.

The Bribery Act 2010

The Bribery Act 2010 came into force on 1 July 2011, and the Board took the opportunity to implement a new Anti-Bribery Policy. All directors and staff continue to complete an e-learning training course on a bi-annual basis. The company is committed to acting ethically, fairly and with integrity in all its endeavours and compliance of the code is closely monitored.

Annual General Meeting

The annual general meeting of the company ("Annual General Meeting") will be held at 24 Bruton Place, London W1J 6NE Wednesday, 11 June 2014 at 11.00 a.m. Resolutions 1 to 8 will be proposed as ordinary resolutions. More than 50 per cent. of shareholders' votes cast must be in favour for those resolutions to be passed. Resolutions 9 to 11 will be proposed as special resolutions. At least 75 per cent. of shareholders' votes cast must be in favour for those resolutions to be passed.

The directors consider that all of the resolutions to be put to the meeting are in the best interests of the company and its shareholders as a whole. The Board recommends that shareholders vote in favour of all resolutions.

Please note that the following paragraphs are only summaries of certain resolutions to be proposed at the Annual General Meeting and not the full text of the resolutions. You should therefore read this section in conjunction with the full text of the resolutions contained in the notice of Annual General Meeting.

Directors' authority to allot shares (Resolution 8)

In certain circumstances it is important for the company to be able to allot shares up to a maximum amount without needing to seek shareholder approval every time an allotment is required. Paragraph 8.1.1 of Resolution 8 would give the directors the authority to allot shares in the company and grant rights to subscribe for, or convert any security into, shares in the company up to an aggregate nominal value of £355,894. This represents approximately 1/3 (one third) of the ordinary share capital of the company in issue (excluding treasury shares) at 15 April 2014 (being the last practicable date prior to the publication of this Directors' Report). Paragraph 8.1.2 of Resolution 8 would give the directors the authority to allot shares in the company and grant rights to subscribe for, or convert any security into, shares in the company up to a further aggregate nominal value of £355,894, in connection with a pre-emptive rights issue. This amount represents approximately 1/3 (one third) of the ordinary share capital of the company in issue (excluding treasury shares) at 15 April 2014 (being the last practicable date prior to the publication of this Directors' Report).

Therefore, the maximum nominal value of shares or rights to subscribe for, or convert any security into, shares which may be allotted or granted under resolution 8 is £711,788.

Resolution 8 complies with guidance issued by the Association of British Insurers (ABI).

The authority granted by resolution 8 will expire on 31 August 2015 or, if earlier, the conclusion of the next annual general meeting of the company. The directors have no present intention to make use of this authority. However, if they do exercise the authority, the directors intend to follow emerging best practice as regards its use as recommended by the ABI.

Disapplication of pre-emption rights (Resolution 9)

A special resolution will be proposed at the Annual General Meeting in respect of the disapplication of pre-emption rights.

Shares allotted for cash must normally first be offered to shareholders in proportion to their existing shareholdings. The directors will, at the forthcoming Annual General Meeting seek power to allot equity securities (as defined by section 560 of the Companies Act 2006) or sell treasury shares for cash as if the pre-emption rights contained in Section 561 of the Companies Act 2006 did not apply:

(a) in relation to pre-emptive offers and offers to holders of other equity securities if required by the rights of those securities or as the directors otherwise consider necessary, up to a maximum nominal amount of £355,894 which represents approximately 1/3 (one third) of the ordinary share capital of the company in issue (excluding treasury shares) and, in relation to rights issues only, up to a maximum additional amount of £355,894 which represents approximately 1/3 (one third) of the ordinary share capital of the company in issue (excluding treasury shares), in each case as at 15 April 2014 (being the last practicable date prior to the publication of this Directors' Report); and

(b) in any other case, up to a maximum nominal amount of £106,768 which represents approximately 10 per cent. of the ordinary share capital of the company in issue (excluding treasury shares) as at 15 April 2014 (being the last practicable date prior to the publication of this Directors' Report).

In compliance with the guidelines issued by the Pre-emption Group, the directors will ensure that, other than in relation to a rights issue, no more than 7.5 per cent. of the issued ordinary shares (excluding treasury shares) will be allotted for cash on a non pre-emptive basis over a rolling three year period unless shareholders have been notified and consulted in advance.

The power in resolution 9 will expire when the authority given by resolution 8 is revoked or expires.

The directors have no present intention to make use of this authority.

Notice of General Meetings (Resolution 10)

Resolution 10 will be proposed to allow the company to call general meetings (other than an Annual General Meeting) on 14 clear days' notice. A resolution in the same terms was passed at the Annual General Meeting in 2013. The notice period required by the Companies Act 2006 for general meetings of the company is 21 days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. Annual General Meetings must always be held on at least 21 clear days' notice. It is intended that the flexibility offered by this resolution will only be used for time-sensitive, non-routine business and where merited in the interests of shareholders as a whole. The approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed. In order to be able to call a general meeting on less than 21 clear days' notice, the company must make a means of electronic voting available to all shareholders for that meeting.

Purchase of own Ordinary Shares (Resolution 11)

The effect of resolution 11 would be to renew the directors' current authority to make limited market purchases of the company's ordinary shares of 10 pence each. The power is limited to a maximum aggregate number of 1,067,683 ordinary shares (representing approximately 10 per cent. of the company's issued share capital as at 15 April 2014 (being the last practicable date prior to publication of this Directors' Report)). The minimum price (exclusive of expenses) which the company would be authorised to pay for each ordinary share would be 10 pence (the nominal value of each ordinary share). The maximum price (again exclusive of expenses) which the company would be authorised to pay for an ordinary share is an amount equal to 105 per cent. of the average market price for an ordinary share for the five business days preceding any such purchase.

The authority conferred by resolution 11 will expire at the conclusion of the company's next annual general meeting or 15 months from the passing of the resolution, whichever is the earlier. Any purchases of ordinary shares would be made by means of market purchase through the London Stock Exchange. If granted, the authority would only be exercised if, in the opinion of the directors, to do so would result in an increase in earnings per share or net asset value per share and would be in the best interests of shareholders generally. In exercising the authority to purchase ordinary shares, the directors may treat the shares that have been bought back as either cancelled or held as treasury shares (shares held by the company itself). No dividends may be paid on shares which are held as treasury shares and no voting rights are attached to them.

As at 15 April 2014 (being the last practicable date prior to the publication of this Directors' Report) the total number of options to subscribe for new ordinary shares in the company was 678,000 shares representing 6.35 per cent. of the company's issued share capital (excluding treasury shares) as at that date. Such number of options to subscribe for new ordinary shares would represent approximately 7.06 per cent. of the reduced issued share capital of the company (excluding treasury shares) assuming full use of the authority to make market purchases sought under resolution 11.

Donations

No political or charitable donations were made during the year (2012:Nil).

Going concern

The group's business activities, together with the factors likely to affect its future development are set out in the Chairman's Statement on the preceding page 2, the Mining Review on pages 5 to 7 and its financial position is set out on page 13 of the Strategic Report. In addition Note 21 to the financial statements includes the group's treasury policy, interest rate risk, liquidity risk and hedging profile.

The group has considerable financial resources available at short notice including cash, held for trading investments and its £2m loan to Dragon Retail Properties Limited which is repayable on demand. In addition its investment property assets benefit from long term leases with the majority of its tenants. Black Wattle Colliery, its direct mining asset, experienced a reduction in profitability in the second half of 2013 due to operational issues related to their mining activates. The directors expect that these operational issues will be fully overcome by the second half of 2014 and that the market conditions experienced in 2013 will be similar going into 2014. The directors therefore have a reasonable expectation that the mine will return to acceptable levels of profitability in the second half of 2014. As a consequence, the directors believe that the group is well placed to manage its business risks successfully.

In October 2013, an increase in the structured trade finance facility from R60million (South African Rand) to R80million was signed by Black Wattle Colliery (pty) Limited ("Black Wattle") with Absa Bank Limited, a South African subsidiary of Barclays Bank PLC. The facility is renewed annually at 30 June and is secured against inventory, debtors and cash that are held in the group's South African operations. This facility comprises of a R60million revolving loan to cover the working capital requirements of the group's South African operations, and a R20million loan facility to cover guarantee requirements related to the group's South African mining operations. Subsequent to year end Black Wattle breached one of the covenants of the facility related to the accounting net asset value of the company. Management have been in discussions with the bank to rectify the breach and have no reason to believe the breach will not be rectified or affect the ongoing use of the facility, or that the facility will not be renewed again at the appropriate times.

The group is working with the Royal Bank of Scotland ("RBS") on the renewal of the current UK banking facilities, being a £5million term facility and a £1million overdraft. The bank has previously agreed to an extension, from its original expiry date of 31 December 2012, to 30th June 2013. Whilst discussions are on-going, no further extension has been formalised as the terms for a new facility are being negotiated. The directors consider that with the asset security available, the level of facilities required should be readily available and consider that a new loan will be agreed, either with RBS or an alternative provider, in the near future. As a result, the Directors believe that the company will have adequate resources to continue in operational existence for the foreseeable future and that the company is well placed to manage its business risks. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

By order of the board

Heather Curtis
Secretary

24 Bruton Place
London W1J 6NE

17 April 2014

GOVERNANCE

STATEMENT OF THE CHAIRMAN OF THE REMUNERATION COMMITTEE

The remuneration committee presents its report for the year ended 31 December 2013, which this year is presented in two parts in accordance with the new regulations.

The first part, is the Annual Remuneration Report which details remuneration awarded to directors and non-executive directors during the year. The shareholders will be asked to approve the Annual Remuneration Report as an ordinary resolution (as in previous years) at the AGM in June 2014.

The second part, is the Remuneration Policy Report which details the remuneration policy for directors. This policy is subject to a binding vote by shareholders at the AGM in 2014, and if approved will apply for a 3 year period commencing 11 June 2014. The policy is very much in line with the previous policy although the level of disclosure has increased in accordance with the new regulations. The remuneration committee reviewed the existing policy and deemed no changes necessary to the current arrangements.

Both of the above reports have been prepared in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013.

The Company's auditors, BDO LLP are required by law to audit certain disclosures and where disclosures have been audited they are indicated as such.

Christopher Joll
Chairman - remuneration committee

24 Bruton Place
London W1J 6NE

17 April 2014

GOVERNANCE

ANNUAL REMUNERATION REPORT

The following information has been audited:

Single total figure of remuneration for the year ended 31 December 2013

	Salaries and Fees	Bonuses	Benefits	Pension	**Total before Share options**	Notional value of vesting Share options	**Total 2013**
Executive Directors							
Sir Michael Heller	75	-	-	-	**75**	-	**75**
A R Heller	450	103	31	30	**614**	-	**614**
G J Casey	119	75	10	16	**220**	-	**220**
R Grobler	142	50	22	7	**221**	-	**221**
	786	**228**	**63**	**53**	**1,130**	**-**	**1,130**
Non–Executive Directors							
C A Joll*	25	-	-	-	**25**	-	**25**
J A Sibbald*	2	-	3	-	**5**	-	**5**
	27	-	3	-	**30**	-	**30**
Total	**813**	**228**	**66**	**53**	**1,160**	**-**	**1,160**

*Members of the remuneration committee for the year ended 31 December 2013

Single total figure of remuneration for the year ended 31 December 2012

	Salaries and Fees	Bonuses	Benefits	Pension	Total before Share options	Notional value of vesting Share options	Total 2012
Executive Directors							
Sir Michael Heller	75	-	-	-	75	-	75
A R Heller	350	150	14	30	544	177	721
G J Casey	109	75	9	15	208	-	208
R Grobler	162	-	26	8	196	-	196
	696	**225**	**49**	**53**	**1,023**	**177**	**1,200**
Non–Executive Directors							
C A Joll*	25	-	-	-	25	-	25
J A Sibbald*	2	-	3	-	5	-	5
	27	-	3	-	30	-	30
Total	**723**	**225**	**52**	**53**	**1,053**	**177**	**1,230**

*Members of the remuneration committee for the year ended 31 December 2012

Summary of directors' terms

	Date of contract	Unexpired term	Notice period
Executive directors			
Sir Michael Heller	November 1972	Continuous	6 months
A R Heller	January 1994	Continuous	3 months
G J Casey	June 2010	Continuous	3 months
R J Grobler	April 2008	Continuous	3 months
Non-executive directors			
C A Joll	February 2001	Continuous	3 months
J A Sibbald	October 1988	Continuous	3 months

Pension schemes and incentives

Three (2012: three) directors have benefits under money purchase pension schemes. Contributions in 2013 were £53,000 (2012: £53,000), see table above.

Scheme interests awarded during the year

No scheme options were awarded during the year ended 31 December 2013.

Share option schemes

The Company currently has four "Unapproved" Share Option Schemes which are not subject to HM Revenue and Customs (HMRC) approval. The "Second Scheme" was approved by shareholders on 23 June 2005, options having been provisionally granted under it on 23 September 2004. The "2006 Scheme" was approved by shareholders on 29 June 2006, and the "2010 Scheme" was approved by shareholders on 7 June 2011. The "2012 Scheme" was approved by the remuneration committee of the Company on 28 September 2012 in replacement of a scheme which was adopted on 15 June 1999 (the "First Scheme"). Existing options over ordinary shares granted under the First Scheme lapsed on 29 September 2012. Replacement options could not be granted under the First Scheme as the period for new grants under the scheme had expired. Accordingly, the remuneration committee approved the adoption by the Company of the 2012 Scheme with similar rules to the First Scheme. All available options under each of the Schemes have been granted.

		Number of share options				
	Option price*	1 January 2013	Options granted in 2013	31 December 2013	Exercisable from	Exercisable to
Second Scheme						
A R Heller	149p	80,000	-	80,000	23/9/2007	22/9/2014
The 2006 Scheme						
A R Heller	237.5p	275,000	-	275,000	4/10/2009	3/10/2016
Employee	237.5p	50,000	-	50,000	4/10/2009	3/10/2016
The 2010 Scheme						
G J Casey	202.5p	80,000	-	80,000	31/08/2013	30/08/2020
The 2012 Scheme						
A R Heller	34p	233,000	-	233,000	01/10/2012	30/09/2022

*Middle market price at date of grant

No consideration is payable for the grant of options under the Unapproved Share Option Schemes.

Performance conditions:
The exercise of options under the Unapproved Share Option Schemes, for certain option issues, is subject to the satisfaction of objective performance conditions specified by the remuneration committee, which will conform to institutional shareholder guidelines and best practice provisions in force from time to time. The performance conditions for Second Scheme and the 2010 scheme, agreed by members on 23 June 2005 and 31 August 2010 respectively, requires growth in net assets over a three year period to exceed the growth in the retail price index by a scale of percentages. There are no performance conditions attached to the other schemes.

Payments to past directors

No payments were made to past directors in the year ended 31 December 2013.

Payments for loss of office

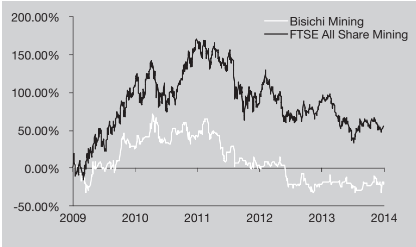
No payments for loss of office were made in the year ended 31 December 2013.

Statement of directors' shareholding and share interest

Directors' interests
The interests of the directors in the shares of the Company, including family and trustee holdings where appropriate, were as follows:

	Beneficial 31.12.2013	Beneficial 1.1.2013	Non-beneficial 31.12.2013	Non-beneficial 1.1.2013
Sir Michael Heller	148,783	148,783	181,334	181,334
A R Heller	785,012	785,012	-	-
C A Joll	-	-	-	-
J A Sibbald	-	-	-	-
R J Grobler	-	-	-	-
G J Casey	-	-	-	-

The following information is unaudited:
The following graph illustrates the Company's performance compared with a broad equity market index over a five year period. Performance is measured by total shareholder return. The directors have chosen the FTSE All Share Mining index as a suitable index for this comparison as it gives an indication of performance against a spread of quoted companies in the same sector.



The middle market price of Bisichi Mining PLC ordinary shares at 31 December 2013 was 109.75p (2012-110p). During the year the share price ranged between 95p and 126.5p.

Remuneration of the Managing Director over the last five years

The table below demonstrates the remuneration of the holder of the office of Managing Director for the last five years for the period from 1 January 2009 to 31 December 2013.

Year	Managing Director	Managing Director Single total figure of remuneration £'000	Annual bonus payout against maximum opportunity* %	Long-term incentive vesting rates against maximum opportunity* %
2013	A R Heller	614	N/A	N/A
2012	A R Heller	544	N/A	N/A
2011	A R Heller	626	N/A	N/A
2010	A R Heller	568	N/A	N/A
2009	A R Heller	817	N/A	N/A

Bisichi Mining plc does not have a Chief Executive so the table includes the equivalent information for the Managing Director.

*There were no formal criteria or conditions to apply in determining the amount of bonus payable or the number of shares to be issued.

Percentage change in remuneration of director undertaking role of Managing Director

	Managing Director £'000			UK based employees £'000		
	2013	2012	% change	2013	2012	% change
Base salary	450	350	28.6%	194	184	5.4%
Benefits	31	14	121.4%	10	9	11.1%
Bonuses	103	150	(31.3%)	75	75	0%

Bisichi Mining plc does not have a Chief Executive so the table includes the equivalent information for the Managing Director.

The comparator group chosen is all UK based employees as the remuneration committee believe this provides the most accurate comparison of underlying increases based on similar annual bonus performances utilised by the group.

Relative importance of spend on pay

The total expenditure of the Group on remuneration to all employees (see Notes 28 and 32 to the financial statements) is shown below:

	2013 £'000	2012 £'000
Employee remuneration	**5,850**	6,000
Distribution to shareholders	**425**	422

Statement of implementation of remuneration policy in the following year

If the policy is approved at the AGM in June 2014 it is intended that the remuneration policy take effect from 11 June 2014. The vote on the remuneration policy is binding in nature. The Company may not then make a remuneration payment or payment for loss of office to a person who is, is to be, or has been a director of the Company unless that payment is consistent with the approved remuneration policy, or has otherwise been approved by a resolution of members.

Consideration by the directors of matters relating to directors' remuneration

The remuneration committee considered the executive directors remuneration and the board considered the non-executive directors remuneration in the year ended 31 December 2013. No increases were awarded and no external advice was taken in reaching this decision.

Shareholder voting

At the Annual General Meeting on 5 June 2013, there was an advisory vote on the resolution to approve the Remuneration Report the result of which is detailed below:

	% of votes for	% of votes against	No of votes withheld
Resolution to approve the Remuneration Report	99.10%	0.68%	1,384,750

GOVERNANCE

REMUNERATION POLICY

Introduction

The remuneration policy below is the Group's policy on directors' remuneration, which will be proposed for a binding vote at the 2014 AGM. If approved it is intended that the policy take effect from 11 June 2014.

In setting the policy, the Remuneration Committee has taken the following into account:

- The need to attract, retain and motivate individuals of a calibre who will ensure successful leadership and management of the Company
- The Group's general aim of seeking to reward all employees fairly according to the nature of their role and their performance
- Remuneration packages offered by similar companies within the same sector
- The need to align the interests of shareholders as a whole with the long-term growth of the Group
- The need to be flexible and adjust with operational changes throughout the term of this policy

The remuneration of non-executive directors is determined by the board, and takes into account additional remuneration for services outside the scope of the ordinary duties of non-executive directors.

Future policy table

Element	Purpose	Policy	Operation	Opportunity and performance conditions
Executive directors				
Base salary	To recognise: Skills, Responsibility, Accountability, Experience, Value	Considered by remuneration committee on appointment. Set at a level considered appropriate to attract, retain motivate and reward the right individuals.	Reviewed annually. Paid monthly in cash	There is no prescribed maximum salary or maximum rate of increase. No specific performance conditions are attached to base salaries
Pension	To provide competitive retirement benefits	Company contribution offered at up to 10% of base salary as part of overall remuneration package	The contribution payable by the Company is included in the director's contract of employment. Paid into money purchase schemes	Company contribution offered at up to 10% of base salary as part of overall remuneration package. No specific performance conditions are attached to pension contributions
Benefits	To provide a competitive benefits package	Contractual benefits can include but are not limited to: Car or car allowance, Group health cover, Death in service cover, Permanent health insurance	The committee retains the discretion to approve changes in contractual benefits in exceptional circumstances or where factors outside the control of the Group lead to increased costs (e.g. medical inflation)	The costs associated with benefits offered are closely controlled and reviewed on an annual basis. No specific performance conditions are attached to contractual benefits. The value of benefits for each director for the year ended 31 December 2013 is shown in the table on page 30
Annual Bonus	To reward and incentivise	In assessing the performance of the executive team, and in particular to determine whether bonuses are merited the remuneration committee takes into account the overall performance of the business. Bonuses are generally offered in cash	The remuneration committee determines the level of bonus on an annual basis applying such performance conditions and performance measures as it considers appropriate	The current maximum bonus opportunity will not exceed 200% of base salary in any one year, but the remuneration committee reserves the power to award up to 300% in an exceptional year. Performance conditions will be assessed on an annual basis. The performance measures applied may be financial, non-financial, corporate, divisional or individual and in such proportion as the remuneration committee considers appropriate
Share Options	To provide executive directors with a long-term interest in the company	Granted under existing schemes (see page 31)	Offered at appropriate times by the remuneration committee	Entitlement to share options is not subject to any performance conditions. Share options will be offered by the remuneration committee as appropriate. There are no maximum levels for share options offered.

Element	Purpose	Policy	Operation	Opportunity and performance conditions
Non-executive directors				
Base salary	To recognise: Skills, Experience, Value	Considered by the board on appointment. Set at a level considered appropriate to attract, retain and motivate the individual. Experience and time required for the role are considered on appointment	Reviewed annually	There is no prescribed maximum salary or maximum rate of increase. No specific performance conditions are attached to base salaries
Pension		No pension offered		
Benefits		No benefits offered except to one non-executive director who is eligible for health cover (see annual remuneration report page 30)	The committee retains the discretion to approve changes in contractual benefits in exceptional circumstances or where factors outside the control of the Group lead to increased costs (e.g. medical sinflation)	The costs associated with the benefit offered is closely controlled and reviewed on an annual basis. No specific performance conditions are attached to contractual benefits
Share Options		Non-executive directors do not participate in the share option schemes		

Notes to the future policy table

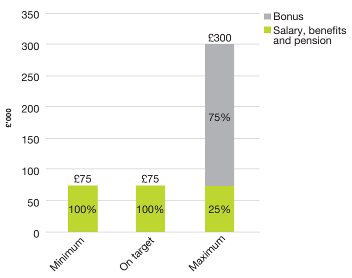
The remuneration committee consider the performance measures outlined in the table above to be appropriate measures of performance and that the KPI's chosen align the interests of the directors and shareholders.

For details of remuneration of other Company employees please see page 39.

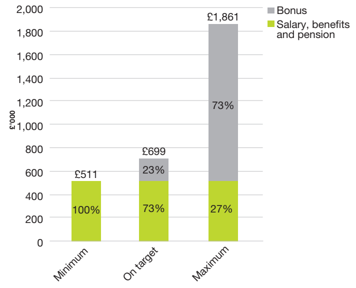
Remuneration scenarios

An indication of the possible level of remuneration that would be received by each Executive Director in the year commencing 11 June 2014 in accordance with the directors' remuneration policy is shown below.

Sir Michael Heller



A R Heller



G J Casey

R J Grobler

Assumptions

Minimum
Consists of base salary, benefits and pension.

Base salary, benefits and pension for 2014 are assumed at the levels included in the single total figure remuneration table for the year ended 31 December 2013 on page 30.

On target
Based on the average percentage bonus awarded to the individual in the three years ending on 31 December 2013. As outlined in the policy table above, the remuneration committee has discretion to award bonuses of up to 200% of base salary in any one year (up to 300% in an exceptional year).

Base salary, benefits and pension for 2014 are assumed at the levels included in the single total figure remuneration table for the year ended 31 December 2013 on page 30.

Maximum
Based on maximum remuneration receivable of 300% of base salary awarded as bonus in an exceptional year.

Base salary, benefits and pension for 2014 are assumed at the levels included in the single total figure remuneration table for the year ended 31 December 2013 on page 30.

Approach to recruitment remuneration

All appointments to the board are made on merit. The components of a new directors remuneration package (who is recruited within the life of the approved remuneration policy) would comprise base salary, pension, benefits, annual bonus and opportunity to be granted share options as outlined above and approach to such appointments are detailed with in the future policy table above. The Company will pay such levels of remuneration to new directors that would enable the Company to attract appropriately skilled and experienced individuals that is not in the opinion of the remuneration committee excessive.

Service contracts

All executive directors have full-time contracts of employment with the Company. Non-executive directors have contracts of service. No director has a contract of employment or contract of service with the Company, its joint venture or associated companies with a fixed term which exceeds twelve months. Directors notice periods (see page 31 of the annual remuneration report) are set in line with market practice and of a length considered sufficient to ensure an effective handover of duties should a director leave the company.

All directors' contracts as amended from time to time, have run from the date of appointment. Service contracts are kept at the registered office.

Policy on payment for loss of office

There are no contractual provisions agreed prior to 27 June 2012 that could impact on a termination payment. Termination payments will be calculated in accordance with the existing contract of employment or service contract. It is the policy of the remuneration committee to issue employment contracts to executive directors with normal commercial terms and without extended terms of notice which could give rise to extraordinary termination payments.

Consideration of employment conditions elsewhere in the Group

In setting this policy for directors' remuneration the remuneration committee has been mindful of the Company's objective to reward all employees fairly according to their role, performance and market forces. In setting the policy for Directors' remuneration the remuneration committee has considered the pay and employment conditions of the other employees within the Group. No formal consultation has been undertaken with employees in drawing up the policy. The remuneration committee has not used formal comparison measures.

Consideration of shareholder views

No shareholder views have been taken into account when formulating this policy. In accordance with the new regulations, an ordinary resolution for approval of this policy will be put to shareholders at the AGM in June 2014.

AUDIT COMMITTEE REPORT

The committee's terms of reference have been approved by the board and follow published guidelines, which are available from the company secretary. The audit committee comprises the two non-executive directors, Christopher Joll (chairman), an experienced financial PR executive and John Sibbald, a retired chartered accountant.

The Audit Committee's prime tasks are to:

Review the scope of external audit, to receive regular reports from the auditor and to review the half-yearly and annual accounts before they are presented to the board, focusing in particular on accounting policies and areas of management judgment and estimation;

Monitor the controls which are in force to ensure the integrity of the information reported to the shareholders;

Assess key risks and to act as a forum for discussion of risk issues and contribute to the board's review of the effectiveness of the group's risk management control and processes;

Act as a forum for discussion of internal control issues and contribute to the board's review of the effectiveness of the group's internal control and risk management systems and processes;

Consider each year the need for an internal audit function;

Advise the board on the appointment of external auditors and rotation of the audit partner every five years, and on their remuneration for both audit and non-audit work, and discuss the nature and scope of their audit work;

Participate in the selection of a new external audit partner and agree the appointment when required;

Undertake a formal assessment of the auditors' independence each year which includes:

- a review of non-audit services provided to the group and related fees;
- discussion with the auditors of a written report detailing all relationships with the company and any other parties that could affect independence or the perception of independence;
- a review of the auditors' own procedures for ensuring the independence of the audit firm and partners and staff involved in the audit, including the regular rotation of the audit partner; and
- obtaining written confirmation from the auditors that, in their professional judgement, they are independent.

Meetings

The committee meets prior to the annual audit with the external auditors to discuss the audit plan and again prior to the publication of the annual results. These meetings are attended by the external audit partner, managing director, director of finance and company secretary. Prior to bi-monthly board meetings the members of the committee meet on an informal basis to discuss any relevant matters which may have arisen. Additional formal meetings are held as necessary.

During the past year the committee:

- Met with the external auditors, and discussed their report to the Audit Committee;
- Approved the publication of annual and half-year financial results;
- Considered and approved the annual review of internal controls;
- Decided that due to the size and nature of operation there was not a current need for an internal audit function;
- Agreed the independence of the auditors and approved their fees for both audit and not-audit services as set out in note 4 to the financial statements.

External Auditors

BDO LLP held office throughout the year. In the United Kingdom the company is provided with extensive administration and accounting services by London & Associated Properties PLC which has its own audit committee and employs a separate firm of external auditors, Baker Tilly UK Audit LLP. In South Africa Grant Thornton (Jhb) Inc. acts as the external auditor to the South African companies, and the work of that firm was reviewed by BDO LLP for the purpose of the group audit.

Christopher Joll
Chairman - audit committee

24 Bruton Place
London W1J 6NE
17 April 2014

VALUERS' CERTIFICATES

To the directors of Bisichi Mining PLC

In accordance with your instructions we have carried out a valuation of the freehold property interests held as at 31 December 2013 by the company as detailed in our Valuation Report dated 14 February 2014.

Having regard to the foregoing, we are of the opinion that the open market value as at 31 December 2013 of the interests owned by the Company was £11,559,000 being made up as follows:

	£000
Freehold	9,035
Leasehold	2,524
	11,559

Leeds
14 February 2014

Woolhouse Real Estate
Regulated by Royal Institute of Chartered Surveyors

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual 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 are required to prepare the group financial in accordance with International Financial Reporting Standards as adopted by the European Union and have elected to prepare the company 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 company and of the profit or loss for the group 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;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union subject to any material departures disclosed and explained in the financial statements;
- state with regard to the parent company financial statements, where applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business;
- prepare a strategic report, director's report and director's remuneration report which comply with the requirements of the Companies Act 2006.

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 and, as regards the group financial statements, Article 4 of the IAS Regulation. 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.

Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' responsibilities pursuant to DTR4

The directors confirm to the best of their knowledge:

- The group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and give a true and fair view of the assets, liabilities, financial position and profit and loss of the group.
- The annual report includes a fair review of the development and performance of the business and the financial position of the group and the parent company, together with a description or the principal risks and uncertainties that they face.

INDEPENDENT AUDITOR'S REPORT

To the members of Bisichi Mining PLC

We have audited the financial statements of Bisichi Mining PLC for the year ended 31 December 2013 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in shareholders' equity, the consolidated cash flow statement, the company balance sheet and the related notes. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in preparation of the parent company financial statements 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 auditors

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2013 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006; and, as regards the group financial statements, Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the strategic report and 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:

Under the Companies Act 2006 we are required 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 and the part of the directors' remuneration report to be audited 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.

Andrew Huddleston
(senior statutory auditor)
For and on behalf of BDO LLP,
statutory auditor

London, United Kingdom
17 April 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2013

	Notes	2013 Trading £'000	2013 Revaluations £'000	2013 Total £'000	2012 Trading £'000	2012 Revaluations £'000	2012 Total £'000
Group revenue	1	**35,105**	**-**	**35,105**	35,962	-	35,962
Operating costs	2	**(31,271)**	**-**	**(31,271)**	(30,367)	-	(30,367)
Operating profit before depreciation, fair value adjustments and exchange movements		**3,834**	**-**	**3,834**	5,595	-	5,595
Depreciation	2	**(2,817)**	**-**	**(2,817)**	(2,253)	-	(2,253)
Operating profit/(loss) before fair value adjustments and exchange movements	1	**1,017**	**-**	**1,017**	3,342	-	3,342
Exchange losses		**(880)**	**-**	**(880)**	(357)	-	(357)
Decrease in value of investment properties	3	**-**	**(53)**	**(53)**	-	(456)	(456)
Decrease in value of other investments		**-**	**(1)**	**(1)**			
Gains on held for trading investments		**-**	**40**	**40**	-	39	39
Operating profit/(loss)	1	**137**	**(14)**	**123**	2,985	(417)	2,568
Share of profit/(loss) in joint ventures	13	**-**	**99**	**99**	64	(201)	(137)
Profit/(Loss) before interest and taxation		**137**	**85**	**222**	3,049	(618)	2,431
Interest receivable		**326**	**-**	**326**	281	-	281
Interest payable	6	**(446)**	**-**	**(446)**	(522)	-	(522)
Profit/(Loss) before tax	4	**17**	**85**	**102**	2,808	(618)	2,190
Taxation	7	**98**	**164**	**262**	(842)	192	(650)
Profit/(Loss) for the year		**115**	**249**	**364**	1,966	(426)	1,540
Attributable to:							
Equity holders of the company		**106**	**249**	**355**	1,721	(426)	1,295
Non-controlling interest	26	**9**	**-**	**9**	245	-	245
Profit/(Loss) for the year		**115**	**249**	**364**	1,966	(426)	1,540
Profit/(Loss) per share – basic	9	**1.00p**	**2.35p**	**3.35p**	16.30p	(4.03)p	12.27p
Profit/(Loss) per share – diluted	9	**0.99p**	**2.31p**	**3.30p**	16.05p	(3.97)p	12.08p

Trading income reflects all the trading activity on mining and property operations. Revaluation Income reflects the revaluation of investment properties and other assets within the group and any proportion of these amounts within Joint Ventures. The total column represents the consolidated income statement presented in accordance with IAS 1.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2013

	2013 £'000	2012 £'000
Profit for the year	**364**	1,540
Other comprehensive income:		
Items that may be subsequently recycled to the income statement:		
Exchange differences on translation of foreign operations	**(858)**	(391)
Taxation	**-**	-
Other comprehensive income for the year net of tax	**(858)**	(391)
Total comprehensive income for the year net of tax	**(494)**	1,149
Attributable to:		
Equity shareholders	**(409)**	936
Non-controlling interest	**(85)**	213
	(494)	1,149

CONSOLIDATED BALANCE SHEET

at 31 December 2013

	Notes	2013 £'000	2012 £'000
Assets			
Non-current assets			
Value of investment properties	10	**11,559**	11,612
Fair value of head lease	30	**196**	202
Investment properties		**11,755**	11,814
Mining reserves, plant and equipment	11	**7,096**	8,638
Investments in joint ventures accounted for using equity method	12	**3,235**	3,061
Loan to joint venture	12	**984**	1,117
Other investments	12	**151**	131
Total non-current assets		**23,221**	24,761
Current assets			
Inventories	15	**1,756**	1,876
Trade and other receivables	16	**8,659**	7,604
Corporation tax recoverable		**36**	49
Held for trading investments	17	**822**	787
Cash and cash equivalents		**1,707**	1,802
Total current assets		**12,980**	12,118
Total assets		**36,201**	36,879

	Notes	2013 £'000	2012 £'000
Liabilities			
Current liabilities			
Borrowings	19	**(8,042)**	(6,186)
Trade and other payables	18	**(8,080)**	(9,218)
Current tax liabilities		**(2)**	(2)
Total current liabilities		**(16,124)**	(15,406)
Non-current liabilities			
Borrowings	19	**(118)**	(86)
Provision for rehabilitation	20	**(874)**	(989)
Finance lease liabilities	30	**(196)**	(202)
Deferred tax liabilities	22	**(1,902)**	(2,437)
Total non-current liabilities		**(3,090)**	(3,714)
Total liabilities		**(19,214)**	(19,120)
Net assets		**16,987**	17,759
Equity			
Share capital	23	**1,064**	1,056
Share premium account		**249**	169
Translation reserve		**(1,569)**	(805)
Other reserves	24	**587**	528
Retained earnings		**16,297**	16,367
Total equity attributable to equity shareholders		**16,628**	17,315
Non-controlling interest	26	**359**	444
Total equity		**16,987**	17,759

These financial statements were approved and authorised for issue by the board of directors on 17 April 2014 and signed on its behalf by:

A R Heller
Director

G J Casey
Director

Company Registration No. 112155

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

for the year ended 31 December 2013

	Share capital £'000	Share Premium £'000	Translation reserves £'000	Other reserves £'000	Retained earnings £'000	Total £'000	Non-controlling interest £'000	Total equity £'000
Balance at 1 January 2012	1,056	169	(446)	500	15,494	16,773	231	17,004
Revaluation of investment properties	-	-	-	-	(456)	(456)	-	(456)
Other income statement movements	-	-	-	-	1,751	1,751	245	1,996
Loss for the year	-	-	-	-	1,295	1,295	245	1,540
Exchange adjustment	-	-	(359)	-	-	(359)	(32)	(391)
Total comprehensive income for the year	-	-	(359)	-	1,295	936	213	1,149
Dividend	-	-	-	-	(422)	(422)	-	(422)
Equity share options	-	-	-	28	-	28	-	28
Balance at 1 January 2013	**1,056**	**169**	**(805)**	**528**	**16,367**	**17,315**	**444**	**17,759**
Revaluation of investment properties	-	-	-	-	(53)	(53)	-	(53)
Other income statement movements	-	-	-	-	408	408	9	417
Profit for the year	-	-	-	-	355	355	9	364
Exchange adjustment	-	-	(764)	-	-	(764)	(94)	(858)
Total comprehensive income for the year	-	-	(764)	-	355	(409)	(85)	(494)
Dividend (note 8)	-	-	-	-	(425)	(425)	-	(425)
Share issues	8	80	-	-	88	-	-	88
Equity share options	-	-	-	59	-	59	-	59
Balance at 31 December 2013	**1,064**	**249**	**(1,569)**	**587**	**16,297**	**16,628**	**359**	**16,987**

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2013

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Cash flows from operating activities		
Operating profit/(loss)	**123**	2,568
Adjustments for:		
Depreciation	**2,817**	2,253
Share based payment expense	**120**	28
(Gain) on investment held for trading	**(40)**	(39)
Unrealised loss on investment properties	**53**	456
Unrealised loss on other investments	**1**	-
Share of profit of joint venture	**-**	64
Cash flow before working capital	**3,074**	5,330
Change in inventories	**120**	(670)
Change in trade and other receivables	**(2,320)**	(2,057)
Change in trade and other payables	**433**	1,149
Change in provisions	**15**	6
Acquisitions of held for trading investments	**-**	(18)
Cash generated from operations	**1,322**	3,740
Interest received	**326**	281
Interest paid	**(357)**	(411)
Income tax received	**11**	83
Cash flow from operating activities	**1,302**	3,693
Cash flows from investing activities		
Acquisition of reserves, plant and equipment	**(3,060)**	(3,681)
Proceeds from sale of investment properties, reserves, plant and equipment	**-**	-
Disposal/(acquisitions) of investments	**(102)**	16
Cash flow from investing activities	**(3,162)**	(3,665)

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Cash flows from financing activities		
Borrowings drawn	**39**	86
Borrowings repaid	**(96)**	(214)
Equity dividends paid	**(425)**	(422)
Net proceeds from issue of ordinary shares	**27**	-
Cash flow from financing activities	**(455)**	(550)
Net decrease in cash and cash equivalents	**(2,315)**	(522)
Cash and cash equivalents at 1 January	**718**	1,114
Exchange adjustment	**275**	126
Cash and cash equivalents at 31 December	**(1,322)**	718
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents as presented in the balance sheet	**1,707**	1,802
Bank overdrafts (secured)	**(3,029)**	(1,084)
	(1,322)	718

GROUP ACCOUNTING POLICIES

for the year ended 31 December 2013

Basis of accounting

The results for the year ended 31 December 2013 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The principal accounting policies are described below:

The group financial statements are presented in £ sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise stated.

Going concern

The group has considerable financial resources available at short notice including cash, held for trading investments and its £2m loan to Dragon Retail Properties Limited which is repayable on demand. In addition its investment property assets benefit from long term leases with the majority of its tenants. Black Wattle Colliery, its direct mining asset, experienced a reduction in profitability in the second half of 2013 due to operational issues related to their mining activates. The directors expect that these operational issues will be fully overcome by the second half of 2014 and that the market conditions experienced in 2013 will be similar going into 2014. The directors therefore have a reasonable expectation that the mine will return to acceptable levels of profitability in the second half of 2014. As a consequence, the directors believe that the group is well placed to manage its business risks successfully.

In October 2013, an increase in the structured trade finance facility from R60million (South African Rand) to R80million was signed by Black Wattle Colliery (pty) Limited ("Black Wattle") with Absa Bank Limited, a South African subsidiary of Barclays Bank PLC. The facility is renewed annually at 30 June and is secured against inventory, debtors and cash that are held in the group's South African operations. This facility comprises of a R60million revolving loan to cover the working capital requirements of the group's South African operations, and a R20million loan facility to cover guarantee requirements related to the group's South African mining operations. Subsequent to year end Black Wattle breached one of the covenants of the facility related to the accounting net asset value of the company. Management have been in discussions with the bank to rectify the breach and have no reason to believe the breach will not be rectified or affect the ongoing use of the facility, or that the facility will not be renewed again at the appropriate times.

The group is working with the Royal Bank of Scotland ("RBS") on the renewal of the current UK banking facilities, being a £5million term facility and a £1million overdraft. The bank has previously agreed to an extension, from its original expiry date of 31 December 2012, to 30th June 2013. Whilst discussions are on-going, no further extension has been formalised as the terms for a new facility are being negotiated. The directors consider that with the asset security available, the level of facilities required should be readily available and consider that a new loan will be agreed, either with RBS or an alternative provider, in the near future.

As a result, the Directors believe that the company will have adequate resources to continue in operational existence for the foreseeable future and that the company is well placed to manage its business risks. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

International Financial Reporting Standards (IFRS)

The financial statements are prepared in accordance with International Financial Reporting Standards and Interpretations in force at the reporting date. These are prepared under the historic cost basis as modified by the revaluation of investment properties and held for trading investments.

During 2013 the following accounting standards and guidance were adopted by the group:

- IAS 1 Presentation of Financial Statements: Presentation of items of Other Comprehensive Income
- IFRS 13 Fair Value Measurement
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine.

The accounting treatment detailed in the above standards have not resulted in a change of the Group's accounting policy and had no impact on the group's financial position or performance.

IFRS 13 Fair Value Measurement:
IFRS 13 establishes a single source of guidance for fair value measurements and their disclosures when fair value is required or permitted. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (most advantageous) market at the measurement date under current market conditions. Fair value under IFRS 13 is an 'exit price' regardless of whether that price is directly observable or estimated using another valuation technique. The application of IFRS 13 has not materially impacted the fair value measurements of the group. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined.

All other standards and interpretations that were mandatory for the accounting period and were required to be adopted by the group either had no material impact on the group's financial statements or were not relevant to the operations of the group.

The group has not adopted any standards or interpretations in advance of the required implementation dates. The following new or revised standards that are applicable to the group were issued but not yet effective:

- IFRS 9 – Financial Instruments
- Amendment to IAS 32
- IFRS 10 Consolidated financial statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities

It is not expected that adoption of any standards or interpretations which have been issued by the International Accounting Standards Board but have not been adopted will have a material impact on the financial statements.

Key judgements and estimates

The directors consider their judgements and estimates surrounding the life of the mine and its reserves to have the most significant effect on the amounts recognised in the financial statements and to be the area where the financial statements are at most risk of a material adjustment due to estimation uncertainty. Areas where key estimates and judgements are considered to have a significant effect on the amounts recognised in the financial statements include:

Depreciation, amortisation of mineral rights, mining development costs and plant & equipment

The annual depreciation/amortisation charge to operations, can fluctuate from initial estimates. This could generally result when there are significant changes in any of the factors or assumptions used in estimating mineral reserves and resources which in turn affects the life of mine or the expected life of reserves. Estimates of proven and probable reserves and resources are prepared by suitable qualified experts. Assessments of depreciation/amortisation rates against the estimated reserve and resource base are performed regularly.

Provision for mining rehabilitation including restoration and de-commissioning costs

A provision for future rehabilitation including restoration and decommissioning costs requires estimates and assumptions to be made around the relevant regulatory framework, the timing, extent and costs of the rehabilitation activities and of the risk adjusted discount rates used to determine the present value of the future cash outflows. The provisions including the estimates and assumptions contained therein are reviewed regularly by management.

Impairment

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be fully recoverable. Future cash flow estimates are discounted using asset specific discount rates and are based on expectations about future operations, primarily comprising estimates about production and sales volumes, commodity prices, reserves and resources, operating, rehabilitation and restoration costs and capital expenditures. Changes in such estimates could impact recoverable values of these assets. Estimates are reviewed regularly by management.

Fair value measurements of investment properties

An assessment of the fair value of assets and liabilities, in particular investment properties, is required to be performed. In such instances, fair value measurements are estimated based on the amounts for which the assets and liabilities could be exchanged at the relevant transaction date or reporting period end. To the extent possible, the assumptions and inputs used take into account externally verifiable inputs. However, such information is by nature subject to uncertainty. The directors note that the fair value measurement of the investment properties, can be considered to be less judgemental where external valuers have been used and as a result of the nature of the underlying assets.

Basis of consolidation

The group accounts incorporate the accounts of Bisichi Mining Plc and all of its subsidiary undertakings, together with the group's share of the results of its joint ventures. Non-controlling interests in subsidiaries are presented separately from the equity attributable to equity owners of the parent company. When changes in ownership in a subsidiary do not result in a loss of control, the non-controlling shareholders' interests are initially measured at the non-controlling interests' proportionate share of the subsidiaries net assets. Subsequent to this, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Revenue

Revenue comprises sales of coal and property rental income. Revenue is recognised when delivery of the product or service has been made and when the customer has a legally binding obligation to settle under the terms of the contract and has assumed all significant risks and rewards of ownership.

Revenue is only recognised on individual sales of coal when all of the significant risks and rewards of ownership have been transferred to a third party. In most instances revenue is recognised when the product is delivered to the location specified by the customer, which is typically when loaded into transport, where the customer pays the transportation costs.

Rental income which excludes services charges recoverable from tenants, is recognised in the group income statement on a straight-line basis over the term of the lease. This includes the effect of lease incentives.

Investment properties

Investment properties comprise freehold and long leasehold land and buildings. Investment properties are carried at fair value in accordance with IAS 40 'Investment Properties'. Properties are recognised as investment properties when held for long-term rental yields, and after consideration has been given to a number of factors including length of lease, quality of tenant and covenant, value of lease, management intention for future use of property, planning consents and percentage of property leased. Investment properties are revalued annually by professional external surveyors and included in the balance sheet at their fair value. Gains or losses arising from changes in the fair values of assets are recognised in the consolidated income statement in the period to which they relate. In accordance with IAS 40, investment properties are not depreciated. Properties held for use in the business are not recognised as investment properties and are held at depreciated historical cost.

The fair value of the head leases is the net present value of the current head rent payable on leasehold properties until the expiry of the lease.

Mining reserves, plant and equipment

The cost of property, plant and equipment comprises its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in accordance with agreed specifications. Freehold land is not depreciated. Other property, plant and equipment is stated at historical cost less accumulated depreciation.

Provisions

Provisions are recognised when the group has a present obligation as a result of a past event which it is probable will result in an outflow of economic benefits that can be reliably estimated.

A provision for rehabilitation of the mine is carried at present value and is provided for over the life of mine. The provision includes the restoration of the underground, opencast, surface operations and de-commissioning of plant and equipment and is estimated to be utilised at the end of the life of mine of the group. The timing and final cost of the rehabilitation is uncertain and will depend on the duration of the mine life and the quantities of coal extracted from the reserves.

Mine reserves and development cost

The purpose of mine development is to establish secure working conditions and infrastructure to allow the safe and efficient extraction of recoverable reserves. Depreciation on mine development is not charged until production commences or the assets are put to use. On commencement of full production, depreciation is charged over the life of the associated mine reserves on a straight-line basis.

Surface mine development

Expenditure incurred prior to the commencement of working surface mine sites, net of any residual value and taking into account the likelihood of the site being mined, is capitalised within property, plant and equipment and charged to the income statement over the life of the recoverable reserves of the scheme.

Other assets and depreciation

The cost, less estimated residual value, of other property, plant and equipment is written off on a straight-line basis over the asset's expected useful life. Residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Changes to the estimated residual values or useful lives are accounted for prospectively. Heavy surface mining and other plant and equipment is depreciated at varying rates depending upon its expected usage.

The depreciation rates generally applied are:

Mining equipment	The shorter of its useful life or the life of the mine
Mining reserves	Over the expected life of the reserves using the units of production basis
Motor vehicles	25-33 per cent per annum
Office equipment	10-33 per cent per annum

Employee benefits

Share based remuneration

The company operates a share option scheme. The fair value of the share option scheme is determined at the date of grant. This fair value is then expensed on a straight-line basis over the vesting period, based on an estimate of the number of shares that will eventually vest. The fair value of options granted is calculated using a binomial or Black-Scholes-Merton model. Details of the share options in issue are disclosed in the Directors' Remuneration Report on page 31 under the heading Share option schemes which is within the audited part of that report.

Pensions

The group operates a defined contribution pension scheme. The contributions payable to the scheme are expensed in the period to which they relate.

Foreign currencies

Monetary assets and liabilities are translated at year end exchange rates and the resulting exchange rate differences are included in the consolidated income statement within the results of operating activities if arising from trading activities and within finance cost/income if arising from financing.

For consolidation purposes, income and expense items are included in the consolidated income statement at average rates, and assets and liabilities are translated at year end exchange rates. Translation differences arising on consolidation are recognised in other comprehensive income. Where foreign operations are disposed of, the cumulative exchange differences of that foreign operation are recognised in the consolidated income statement when the gain or loss on disposal is recognised.

Transactions in foreign currencies are translated at the exchange rate ruling on transaction date.

Financial instruments

The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Bank loans and overdrafts
Bank loans and overdrafts are included as financial liabilities on the group balance sheet at the amounts drawn on the particular facilities net of the unamortised cost of financing. Interest payable on those facilities is expensed as finance cost in the period to which it relates.

Finance lease liabilities
Finance lease liabilities arise for those investment properties held under a leasehold interest and accounted for as investment property. The liability is initially calculated as the present value of the minimum lease payments, reducing in subsequent reporting periods by the apportionment of payments to the lessor.

Interest rate derivatives
The group uses derivative financial instruments to manage the interest rate risk associated with the financing of the group's business. No trading in such financial instruments is undertaken. At each reporting date, these interest rate derivatives are recognised at fair value, being the estimated amount that the group would receive or pay to terminate the agreement at the balance sheet date, taking into account current interest rates and the current credit rating of the counterparties. The gain or loss at each fair value re-measurement is recognised immediately in the income statement.

Held for trading investments
Financial assets/liabilities held for trading or short-term gain are measured at fair value and movements in fair value are charged/credited to the income statement in the period.

Trade receivables
Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated recoverable amounts as the interest that would be recognised from discounting future cash payments over the short payment period is not considered to be material.

Trade payables
Trade payables are not interest bearing and are stated at their nominal value, as the interest that would be recognised from discounting future cash payments over the short payment period is not considered to be material.

Other financial assets and liabilities
The groups other financial assets and liabilities not disclosed above are accounted for at amortised cost.

Joint ventures

Investments in joint ventures, being those entities over whose activities the group has joint control, as established by contractual agreement, are included at cost together with the group's share of post-acquisition reserves, on an equity basis.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and overheads relevant to the stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

Other investments

Other investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised at cost less any provision for impairment.

Impairment

Whenever events or changes in circumstance indicate that the carrying amount of an asset may not be recoverable an asset is reviewed for impairment. An asset's carrying value is written down to its estimated recoverable amount (being the higher of the fair value less cost to sell and value in use) if that is less than the asset's carrying amount.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the tax computations, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. In respect of the deferred tax on the revaluation surplus, this is calculated on the basis of the chargeable gains that would crystallise on the sale of the investment portfolio as at the reporting date. The calculation takes account of indexation on the historical cost of the properties and any available capital losses.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the group income statement, except when it relates to items charged or credited directly to other comprehensive income, in which case it is also dealt with in other comprehensive income.

Dividends

Dividends payable on the ordinary share capital are recognised as a liability in the period in which they are approved.

Cash and cash equivalents

Cash comprises cash in hand and on-demand deposits. Cash and cash equivalents comprises short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and original maturities of three months or less. The cash and cash equivalents shown in the cashflow statement are stated net of bank overdrafts.

Segmental reporting

For management reporting purposes, the group is organised into business segments distinguishable by economic activity. The group's only business segments are mining activities and investment properties. These business segments are subject to risks and returns that are different from those of other business segments and are the primary basis on which the group reports its segment information. This is consistent with the way the group is managed and with the format of the group's internal financial reporting. Significant revenue from transactions with any individual customer, which makes up 10 percent or more of the total revenue of the group, is separately disclosed within each segment.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

1.Segmental reporting

Business analysis	Mining £'000	Property £'000	2013 Other £'000	Total £'000
Significant revenue customer A	12,981	-	-	12,981
Significant revenue customer B	7,448	-	-	7,448
Significant revenue customer C	6,829	-	-	6,829
Other revenue	6,859	953	35	7,847
Segment revenue	**34,117**	**953**	**35**	**35,105**
Operating profit before fair value adjustments & exchange movements	335	649	33	**1,017**
Revaluation of investments & exchange movements	(880)	(53)	39	**(894)**
Operating profit/(loss) and segment result	**(545)**	**596**	**72**	**123**
Segment assets	**15,849**	**11,557**	**2,823**	**30,229**
Unallocated assets				
- Non-current assets				**46**
- Cash & cash equivalents				**1,707**
Total assets excluding investment in joint ventures				**31,982**
Segment liabilities	(8,816)	(1,010)	(22)	**(9,848)**
Borrowings	(33)	(5,098)	-	**(5,131)**
	(8,849)	(6,108)	(22)	**(14,979)**
Unallocated liabilities				**(4,235)**
Total liabilities				**(19,214)**
Net assets				**12,768**
Investment in joint ventures non segmental				**4,219**
Net assets as per balance sheet				**16,987**

1.Segmental reporting continued

Geographic analysis	United Kingdom £'000	South Africa £'000	Other £'000	Unallocated £'000	Total £'000
Revenue	988	34,117	-	-	**35,105**
Operating profit/(loss) and segment result	668	(545)	-	-	**123**
Non-current assets excluding investments	11,765	7,050	-	36	**18,851**
Total net assets	5,969	7,248	43	3,726	**16,987**
Capital expenditure	48	3,012	-	-	**3,060**

Business analysis	Mining £'000	Property £'000	2012 Other £'000	Total £'000
Significant revenue customer A	10,510	-	-	10,510
Significant revenue customer B	6,120	-	-	6,120
Significant revenue customer C	3,110	-	-	3,110
Other Revenue	15,212	957	53	16,222
Segment revenue	**34,952**	**957**	**53**	**35,962**
Operating profit/(loss) before fair value adjustments & exchange movements	2,630	666	46	**3,342**
Revaluation of investments & exchange movements	(357)	(456)	39	**(774)**
Operating profit/(loss) and segment result	**2,273**	**210**	**85**	**2,568**
Segment assets	**15,789**	**12,322**	**2,786**	**30,897**
Unallocated assets				
- Non-current assets				**2**
- Cash & cash equivalents				**1,802**
Total assets excluding investment in joint ventures				**32,701**
Segment liabilities	(9,416)	(2,159)	(1,271)	**(12,846)**
Borrowings	(102)	(5,086)	-	**(5,188)**
	(9,518)	(7,245)	(66)	**(16,829)**
Unallocated liabilities				**(1,086)**
Total liabilities				**(19,120)**
Net assets				**13,581**
Investment in joint ventures non segmental				**4,178**
Net assets as per balance sheet				**17,759**

1. Segmental reporting continued

Geographic analysis	United Kingdom £'000	South Africa £'000	Other £'000	Unallocated £'000	Total £'000
Revenue	1,010	34,952	-	-	**35,962**
Operating profit and segment result	295	2,273	-	-	**2,568**
Non-current assets excluding investments	11,814	8,638	-	-	**20,452**
Total net assets	5,857	6,170	43	5,689	**17,759**
Capital expenditure	1	3,680	-	-	**3,681**

2. Operating costs

	2013 £'000	2012 £'000
Mining	**26,158**	25,390
Property	**192**	135
Cost of sales	**26,350**	25,525
Administration	**7,738**	7,095
Operating costs	**34,088**	32,620
The direct property costs are:		
Ground rent	**5**	9
Direct property expense	**116**	86
Bad debts	**71**	40
	192	135

Operating costs above include depreciation of £2,817,000 (2012: £2,253,000).

3. Loss on revaluation and sale of investment properties

The reconciliation of the investment deficit to the loss on revaluation of investment properties in the income statement is set out below:

	2013 £'000	2012 £'000
Investment deficit	**(47)**	(476)
Loss on valuation movement in respect of head lease payments	**(6)**	20
Loss on revaluation of investment properties	**(53)**	(456)

4. Profit/(Loss) before taxation

Profit/(Loss) before taxation is arrived at after charging:

	2013 £'000	2012 £'000
Staff costs (see note 28)	**5,850**	6,000
Depreciation	**2,817**	2,253
Exchange loss	**880**	357
Fees payable to the company's auditor for the audit of the company's annual accounts	**35**	33
Fees payable to the company's auditor and its associates for other services:		
The audit of the company's subsidiaries, pursuant to legislation	**-**	31
Corporate finance	**-**	17
Other services	**1**	5

The directors consider the auditors were best placed to provide the above non-audit services.
The audit committee reviews the nature and extent of non-audit services to ensure that independence is maintained.

5. Directors' emoluments

Directors' emoluments are shown in the Directors' remuneration report on pages 30 and 31 under the heading Directors' remuneration which is within the audited part of that report.

6. Interest payable

	2013 £'000	2012 £'000
On bank overdrafts and bank loans	**323**	352
Unwinding of discount	**89**	111
Other interest payable	**34**	59
Interest payable	**446**	522

7. Taxation

	2013 £'000	2012 £'000
(a) Based on the results for the year:		
Corporation tax	**-**	7
Current tax	**-**	7
Deferred tax – current year	**(213)**	643
Deferred tax – adjustment in respect of prior year	**(49)**	-
Total tax in income statement	**(262)**	650

(b) Factors affecting tax charge for the year:

The corporation tax assessed for the year is different from that at the standard rate of corporation tax in the United Kingdom of 23.5% (2012: 24.5%)

The differences are explained below:

	2013 £'000	2012 £'000
Profit on ordinary activities before taxation	**102**	2,190
Tax on profit on ordinary activities at 23.5% (2012: 24.5%)	**24**	537
Effects of:		
Expenses not deductible for tax purposes	**6**	25
Adjustment to tax rate	**(101)**	-
Other differences	**(142)**	88
Adjustment in respect of prior years	**(49)**	-
Total tax	**(262)**	650

7. Taxation continued

(c) Analysis of United Kingdom and overseas tax

United Kingdom tax included in above:

	2013 £'000	2012 £'000
Corporation tax	**-**	2
Adjustment in respect of prior years	**-**	-
Current tax	**-**	2
Deferred tax	**(271)**	(101)
	(271)	(99)

Overseas tax included in above:

	2013 £'000	2012 £'000
Corporation tax	**-**	5
Adjustment in respect of prior years	**-**	-
Current tax	**-**	5
Deferred tax	**9**	744
	9	749

8. Dividends paid

	2013 Per share	2013 £'000	2012 Per share	2012 £'000
Dividends paid during the year relating to the prior period	**4.00p**	**425**	4.00p	422
Dividends to be paid:				
Interim dividend for 2013 paid on 31 January 2014	**1.00p**	**106**	1.00p	105
Proposed final dividend for 2013	**3.00p**	**319**	3.00p	317
	4.00p	**425**	4.00p	422

The dividends to be paid are not accounted for until they have been approved at the Annual General Meeting. The amount will be accounted for as an appropriation of retained earnings in the year ending 31 December 2014.

9. Profit/(Loss) and diluted profit/(loss) per share

Both the basic and diluted profit/(loss) per share calculations are based on a profit of £355,000 (2012: £1,295,000). The basic profit/(loss) per share has been calculated on a weighted average of 10,596,839(2012: 10,556,839) ordinary shares being in issue during the period. The diluted profit/(loss) per share has been calculated on the weighted average number of shares in issue of 10,596,839 (2012: 10,556,839) plus the dilutive potential ordinary shares arising from share options of 160,982 (2012: 165,722) totalling 10,757,821 (2011: 10,722,561).

10. Investment properties

	Freehold £'000	Long Leasehold £'000	**Total £'000**
Valuation at 1 January 2013	8,889	2,723	**11,612**
Revaluation	146	(199)	**(53)**
Valuation at 31 December 2013	**9,035**	**2,524**	**11,559**
Valuation at 1 January 2012	9,118	2,950	**12,068**
Revaluation	(229)	(227)	**(456)**
Valuation at 31 December 2012	**8,889**	**2,723**	**11,612**
Historical cost			
At 31 December 2013	**4,801**	**728**	**5,529**
At 31 December 2012	4,801	728	5,529

Long leasehold properties are those for which the unexpired term at the balance sheet date is not less than 50 years.
All investment properties are held for use in operating leases and all properties generated rental income during the period.

Freehold and Long Leasehold properties were externally professionally valued at 31 December on an open market basis by:

	2013 £'000
Woodhouse Real Estate	**11,559**

The valuations were carried out in accordance with the Statements of Asset Valuation and Guidance Notes published by The Royal Institution of Chartered Surveyors.

Each year external valuers are appointed by the Executive Directors on behalf of the Board. The valuers are selected based upon their knowledge, independence and reputation for valuing assets as those held by the group.

Valuations are performed annually and are performed consistently across all investment properties in the group's portfolio. At each reporting date appropriately qualified employees of the group verify all significant inputs and review the computational outputs. Valuers submit their report to the Board on the outcome of each valuation round.

Valuations take into account tenure, lease terms and structural condition. The inputs underlying the valuations include market rent or business profitability, likely incentives offered to tenants, forecast growth rates, yields, EBITDA, discount rates, construction costs including any specific site costs (for example section 106), professional fees, developer's profit including contingencies, planning and construction timelines, lease regear costs, planning risk and sales prices based on known market transactions for similar properties to those being valued.

Valuations are based on what is determined to be the highest and best use. When considering the highest and best use a valuer will consider, on a property by property basis, its actual and potential uses which are physically, legally and financially viable. Where the highest and best use differs from the existing use, the valuer will consider the cost and likelihood of achieving and implanting this change in arriving at its valuation.

10. Investment properties continued

There are often restrictions on Freehold and Leasehold property which could have a material impact on the realisation of these assets. The most significant of these occur when planning permission or lease extension and renegotiation of use are required or when a credit facility is in place. These restrictions are factored in the property's valuation by the external valuer.

IFRS 13 sets out a valuation hierarchy for assets and liabilities measured at fair value as follows:

Level 1: valuation based on inputs on quoted market prices in active markets

Level 2: valuation based on inputs other than quoted prices included within level 1 that maximise the use of observable data directly or from market prices or indirectly derived from market prices.

Level 3: where one or more inputs to valuations are not based on observable market data

The inter-relationship between key unobservable inputs and the groups' properties is detailed in the table below:

Class of property Level 3	**Carrying / fair value 2013 £'000**	**Valuation technique**	**Key unobservable inputs**	**Range (weighted average) 2013**
Freehold – external valuation	9,035	Income capitalisation	Estimated rental value	£6
			Per sq ft p.a	(£6)
			Equivalent Yield	7.1%
				(7.1%)
Long leasehold – external valuation	2,524	Income capitalisation	Estimated rental value	£7- £25
			Per sq ft p.a	(£12)
			Equivalent yield	7.9% - 10.5%
				(10.3%)
At 31 December 2013	**11,559**			

There are interrelationships between all these inputs as they are determined by market conditions. The existence of an increase in more than one input would be to magnify the input on the valuation. The impact on the valuation will be mitigated by the interrelationship of two inputs in opposite directions, for example, an increase in rent may be offset by an increase in yield.

The table below illustrates the impact of changes in key unobservable inputs on the carrying / fair value of the Group's properties:

	Estimated rental value 10% increase or decrease £'000	Equivalent yield 25 basis point contraction or expansion £'000
Freehold – external valuation	180 / (180)	88 / (91)
Long Leasehold – external valuation	597 / (594)	298 / (302)

11. Mining reserves, plant and equipment

	Mining reserves £'000	Mining equipment £'000	Motor vehicles £'000	Office equipment £'000	**Total £'000**
Cost at 1 January 2013	1,651	16,835	159	112	**18,757**
Exchange adjustment	(341)	(3,479)	(21)	(12)	**(3,853)**
Additions	-	2,972	76	12	**3,060**
Disposals	-	-	(49)	-	**(49)**
Cost at 31 December 2013	**1,310**	**16,328**	**165**	**112**	**17,915**
Accumulated depreciation					
at 1 January 2012	1,438	8,462	129	90	**10,119**
Exchange adjustment	(296)	(1,749)	(15)	(8)	**(2,068)**
Charge for the year	42	2,757	12	6	**2,817**
Disposals	-	-	(49)	-	**(49)**
Accumulated depreciation at 31 December 2013	**1,184**	**9,470**	**77**	**88**	**10,819**
Net book value at 31 December 2013	**126**	**6,858**	**88**	**24**	**7,096**
Cost at 1 January 2012	1,815	14,467	170	115	**16,567**
Exchange adjustment	(164)	(1,310)	(11)	(6)	**(1,491)**
Additions	-	3,678	-	3	**3,681**
Disposals	-	-	-	-	**-**
Cost at 31 December 2012	1,651	16,835	159	112	**18,757**
Accumulated depreciation at 1 January 2012	1,523	6,905	127	86	**8,641**
Exchange adjustment	(138)	(626)	(7)	(4)	**(775)**
Charge for the year	53	2,183	9	8	**2,253**
Disposals in year	-	-	-	-	**-**
Accumulated depreciation at 31 December 2012	1,438	8,462	129	90	**10,119**
Net book value at 31 December 2012	213	8,373	30	22	**8,638**

12. Investments held as non-current assets

	2013 Joint ventures assets £'000	**2013 Other £'000**	2012 Joint ventures assets £'000	2012 Other £'000
At 1 January	**3,061**	**131**	2,579	431
Transfers	**-**	**-**	619	(298)
Additions	**75**	**26**	-	-
Exchange adjustment	**-**	**(1)**	-	(2)
Share of gain/(loss) in joint ventures	**99**	**-**	(137)	-
Net assets at 31 December	**3,235**	**156**	3,061	131
Loan to joint venture:				
At 1 January	**1,117**	**-**	-	-
Exchange adjustments	**(242)**	**-**	(100)	-
Additions	**109**	**-**	114	-
Transfers	**-**	**-**	1,103	-
At 31 December	**984**	**-**	1,117	-
At 31 December	**4,219**	**156**	4,178	131
Provision for diminution in value:				
At 1 January	**-**	**-**	-	(283)
Transfer	**-**	**(4)**	-	283
Write down of investment	**-**	**(1)**	-	-
At 31 December	**-**	**(5)**	-	-
Net book value at 31 December	**4,219**	**151**	4,178	131

	2013 £'000	2012 £'000
Net book value of unquoted investments	**126**	124
Net book and market value of investments listed on overseas stock exchanges	**25**	7
	151	131

13. Joint ventures

The company owns 50% of the issued share capital of Dragon Retail Properties Limited, an unlisted property investment company. The remaining 50% is held by London & Associated Properties PLC. Dragon Retail Properties Limited is incorporated in England and Wales. It has issued share capital of 500,000 (2012: 500,000) ordinary shares of £1 each.

The company owns 12.5% of the units of Langney Shopping Centre Unit Trust, an unlisted property unit trust incorporated in Jersey. 12.5% of the units in the trust are held by London & Associated Properties PLC and 75% are held by Columbus UK GP limited, a partner acting on behalf of Columbus UK Real Estate Fund.

The company owns 49% of the issued share capital of Ezimbokodweni Mining (pty) Limited, an unlisted coal production company. The company is incorporated in South Africa. It has issued share capital of 100 (2012: 100) ordinary shares of ZAR1 each.

	Langney 12.5% £'000	Dragon 50% £'000	Ezimbokodweni 49% £'000	**2013 £'000**	2012 £'000
Turnover	165	104	-	**269**	192
Profit and loss					
(Loss)/Profit before tax	(45)	161	-	**116**	(135)
Taxation	-	(17)	-	**(17)**	(2)
(Loss)/Profit after taxation	(45)	144	-	**99**	(137)
Balance sheet					
Non-current assets	2,043	1,564	981	**4,588**	4,450
Current assets	242	1,809	3	**2,054**	1,904
Current liabilities	(88)	(681)	(984)	**(1,753)**	(2,691)
Non-current liabilities	(1,385)	(952)	-	**(2,337)**	(1,284)
Share of net assets at 31 December	812	1,740	-	**2,552**	2,379

14. Subsidiary companies

The company owns the following ordinary share capital of the principal subsidiaries which are included within the consolidated financial statements:

	Activity	Percentage of share capital	Country of incorporation
Mineral Products Limited	Share dealing	100%	England and Wales
Black Wattle Colliery (pty) Limited	Coal mining	62.5%	South Africa
Bisichi Coal Mining (pty) Limited	Coal mining	100%	South Africa
Bisichi Mining (Exploration) Limited	Holding company	100%	England and Wales
Ninghi Marketing Limited	Dormant	90.1%	England and Wales

Details on the non-controlling interest in subsidiaries are shown under note 26.

15. Inventories

	2013 £'000	2012 £'000
Coal		
Washed	**481**	1,165
Run of mine	**754**	365
Work in progress	**487**	290
Other	**34**	56
	1,756	1,876

16. Trade and other receivables

	2013 £'000	2012 £'000
Amounts falling due within one year:		
Trade receivables	**5,658**	5,270
Amount owed by joint venture	**2,232**	2,000
Other receivables	**511**	134
Prepayments and accrued income	**258**	200
	8,659	7,604

17. Held for trading investments

	2013 £'000	2012 £'000
Market value of Listed Investments:		
Listed in Great Britain	**778**	731
Listed outside Great Britain	**44**	56
	822	787
Original cost of Listed Investments	**737**	749
Unrealised surplus of market value over cost	**85**	38

18. Trade and other payables

	2013 £'000	2012 £'000
Trade payables		
Amounts owed to joint ventures	**4,214**	4,824
Other payables	**1,205**	1,205
Accruals and deferred income	**704**	545
	1,957	2,644
	8,080	9,218

19. Financial liabilities - borrowings

	Current		Non-current	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Bank overdraft (secured)	**3,029**	1,084	**-**	-
Bank loan (secured)	**5,013**	5,102	**118**	86
	8,042	6,186	**118**	86

	2013 £'000	2012 £'000
Bank overdraft and loan instalments by reference to the balance sheet date:		
Within one year	**8,042**	6,186
From one to two years	**14**	-
From two to five years	**104**	86
	8,160	6,272
Bank overdraft and loan analysis by origin:		
United Kingdom	**5,366**	5,145
Southern Africa	**2,794**	1,127
	8,160	6,272

The United Kingdom bank loans and overdraft are secured by way of a first charge over the investment properties in the UK which are included in the financial statements at a value of £11,559,000. The South African bank loans are secured by way of a first charge over specific pieces of mining equipment, inventory and the debtors of the relevant company which holds the loan which are included in the financial statements at a value of £8,075,000.

19. Financial liabilities - borrowings continued

Consistent with others in the mining and property industry, the group monitors its capital by its gearing levels. This is calculated as the net debt (loans less cash and cash equivalents) as a percentage of the equity. At year end the gearing of the group was 38.8% (2011: 25.8%) which was calculated as follows:

	2013 £'000	2012 £'000
Total debt	**8,160**	6,272
Less cash and cash equivalents	**(1,707)**	(1,802)
Net debt	**6,453**	4,470
Total equity	**16,628**	17,315
Gearing	**38.8%**	25.8%

20. Provision for rehabilitation

	2013 £'000	2012 £'000
As at 1 January	**989**	965
Exchange adjustment	**(204)**	(87)
Unwinding of discount	**89**	111
As at 31 December	**874**	989

21. Financial instruments

Treasury policy

Although no derivative transactions were entered into during the year, the group may use derivative transactions such as interest rate swaps and forward exchange contracts as necessary in order to help manage the financial risks arising from the group's activities. The main risks arising from the group's financing structure are interest rate risk, liquidity risk, market risk, credit risk, currency risk and commodity price risk. There have been no changes during the year of the main risks arising from the group's finance structure. The policies for managing each of these risks and the principal effects of these policies on the results are summarised below.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or cashflows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that the group uses. Treasury activities take place under procedures and policies approved and monitored by the Board to minimise the financial risk faced by the group. Interest bearing assets comprise cash and cash equivalents which are considered to be short-term liquid assets and loans to joint ventures. Interest bearing borrowings comprise bank loans, bank overdrafts and variable rate finance lease obligations. The rates of interest vary based on LIBOR in the UK and PRIME in South Africa.

21. Financial instruments continued

As at 31 December 2013, with other variables unchanged, a 1% increase or decrease in interest rates, on investments and borrowings whose interest rates are not fixed, would respectively decrease or increase the loss for the year by £18,000 (2012: £19,000). The effect on equity of this change would be an equivalent decrease or increase for the year of £18,000 (2011: £19,000).

Liquidity risk

The group's policy is to minimise refinancing risk. Efficient treasury management and strict credit control minimise the costs and risks associated with this policy which ensures that funds are available to meet commitments as they fall due. As at year end the group held borrowing facilities in the UK in Bisichi Mining Plc and in South Africa in Black Wattle Colliery (Pty) Ltd.

The following table sets out the maturity profile of the financial liabilities as at 31 December:

	2013 £'000	2012 £'000
Within one year	**15,956**	15,239
From one to two years	**38**	13
From two to five years	**129**	123
Beyond five years	**134**	139
	16,257	15,514

The following table sets out the maturity profile of the financial liabilities as at 31 December maturing within one year:

	2013 £'000
Within one month	10,207
From one to three months	1,998
From four to twelve months	3,751
	15,956

In South Africa, an increase in the structured trade finance facility from R60million (South African Rand) to R80million was signed by Black Wattle Colliery (pty) Limited in October 2013 with Absa Bank Limited, a South African subsidiary of Barclays Bank PLC. The facility is renewed annually at 30 June and is secured against inventory, debtors and cash that are held by Black Wattle Colliery (pty) Limited. This facility comprises of a R60million revolving loan to cover the working capital requirements of the group's South African operations, and a R20million loan facility to cover guarantee requirements related to the group's South African mining operations. Subsequent to year end Black Wattle breached one of the covenants of the facility related to the accounting net asset value of the company. Management have been in discussions with the bank to rectify the breach and have no reason to believe the breach will not be rectified or affect the ongoing use of the facility, or that the facility will not be renewed again at the appropriate times.

In the UK the group is working with Royal Bank of Scotland on the renewal of the current banking facilities being a £5million term facility and a £1million overdraft. The bank has previously agreed to an extension, from its original expiry date of 31 December 2012, to 30 June 2013. Whilst discussions are on-going, no further extension has been formalised as the terms for a new facility are being negotiated. The directors consider that with the asset security available, the level of facilities required should be readily available and consider that a new loan will be agreed, either with RBS or an alternative provider, in the near future. This facility is secured against the group's UK retail property portfolio. At 31 December 2013 the group was within its bank borrowing facilities and had not breached any of its covenants.

21. Financial instruments continued

Credit risk

The group is exposed to credit risk on its cash and cash equivalents, trade and other receivables and amounts owed by joint ventures as per the balance sheet. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet which at year end amounted to £11,092,000 (2012: £10,323,000). The group's credit risk is primarily attributable to its trade receivables. The group had amounts due from its significant revenue customers at the year end that represented 81% of the trade receivables balance. These amounts have been subsequently settled.

Trade debtor's credit ratings are reviewed regularly. The group only deposits surplus cash with well-established financial institutions of high quality credit standing. As at year end the amount of trade receivables held past due date was £137,000 (2012: £147,000). To date, the amount of trade receivables held past due date that has not subsequently been settled is £118,000 (2012: £nil). Management have no reason to believe that this amount will not be settled.

Financial assets maturity

On 31 December 2013, cash at bank and in hand amounted to £1,707,000 (2012: £1,802,000) which is invested in short term bank deposits maturing within one year bearing interest at the bank's variable rates. Cash and cash equivalents all have a maturity of less than 3 months.

Total financial assets and liabilities

The group's financial assets and liabilities are as follows, representing both the fair value and the carrying value:

	Loans and receivables £'000	Financial Liabilities measured at amortised cost £'000	Assets at fair value through profit and loss £'000	**2013 £'000**	2012 £'000
Cash and cash equivalents	1,707	-	-	**1,707**	1,802
Investments held for trading	-	-	822	**822**	787
Other investments	-	-	151	**151**	131
Trade and other receivables	9,385	-	-	**9,385**	8,521
Bank borrowings	-	(8,160)	-	**(8,160)**	(6,272)
Finance leases	-	(196)	-	**(196)**	(202)
Other liabilities	-	(7,901)	-	**(7,901)**	(9,040)
	11,092	(16,257)	973	**(4,192)**	(4,273)

Investments held for trading fall under level 1 of the fair value hierarchy into which fair value measurements are recognised in accordance with the levels set out in IFRS 7. Other investments are held at cost. The directors are of the opinion that the difference in value between cost and fair value of other investments is not significant or material. The comparative figures for 2012 fall under the same category of financial instrument as 2013.

21. Financial instruments continued

Commodity price risk

Commodity price risk is the risk that the group's future earnings will be adversely impacted by changes in the market of commodities. The group is exposed to commodity price risk as its future revenues will be derived based on a contract with a physical off-take partner at prices that will be determined by reference to market prices of coal at the delivery date.

From time to time the group may manage its exposure to commodity price risk by entering into forward sales contracts with the goal of preserving future revenue streams.

Foreign exchange risk

All trading is undertaken in the local currencies. Funding is also in local currencies other than inter-company investments and loans and it is not the group's policy to obtain forward contracts to mitigate foreign exchange risk on these amounts. During 2013 and 2012 the group did not hedge its exposure of foreign investments held in foreign currencies.

The table below shows the currency profiles of cash and cash equivalents:

	2013 £'000	2012 £'000
Sterling	**139**	131
South African Rand	**1,426**	1,527
US Dollar	**142**	144
	1,707	1,802

Cash and cash equivalents earn interest at rates based on LIBOR in Sterling and Prime in Rand.

The tables below shows the currency profiles of net monetary assets and liabilities by functional currency of the group:

2013:	**Sterling £'000**	**South African Rands £'000**
Sterling	**(4,082)**	**-**
South African Rand	**768**	**(1,065)**
US Dollar	**187**	**-**
	(3,127)	**(1,065)**

2012:	Sterling £'000	South African Rands £'000
Sterling	(4,187)	-
South African Rand	1,054	(1,296)
US Dollar	157	-
	(2,976)	(1,296)

The directors consider there to be no significant risk from exchange rate movements of foreign currencies against the functional currencies of the reporting companies within the group. As such no sensitivity analysis is prepared.

22. Deferred taxation

	2013 £'000	2012 £'000
Balance at 1 January	**2,437**	1,881
Recognised in income	**(262)**	643
Exchange adjustment	**(273)**	(87)
	1,902	2,437
The deferred tax balance comprises the following:		
Revaluation of properties	**713**	895
Capital allowances	**1,183**	1,312
Short-term differences	**6**	230
	1,902	2,437

23. Share capital

	2013 £'000	2012 £'000
Authorised: 13,000,000 ordinary shares of 10p each	**1,300**	1,300

Allotted and fully paid:

	2013 Number of ordinary shares	2012 Number of ordinary shares	**2013 £'000**	2012 £'000
At 1 January	**10,556,839**	10,556,839	**1,056**	1,056
Shares issued during the year	**80,000**	-	**8,000**	-
Outstanding at 31 December	**10,636,839**	10,556,839	**1,064**	1,056

24. Other reserves

	2013 £'000	2012 £'000
Equity share options	**501**	442
Net premium on share capital in joint venture	**86**	86
	587	528

25. Share based payments

Details of the share option scheme are shown in the Directors' remuneration report on pages 30 and 31 under the heading Share option schemes which is within the audited part of this report. Further details of the share option schemes are set out below.

The Bisichi Mining PLC Unapproved Option Schemes:

Year of grant	Subscription price per share	Period within which options exercisable	Number of share for which options outstanding at 31 December 2012	Number of share options issued/exercised/ (cancelled) during year	Number of share for which options outstanding at 31 December 2013
2004	149.0p	Sep 2007 - Sep 2014	80,000	-	80,000
2006	237.5p	Oct 2009 - Oct 2016	325,000	-	325,000
2010	202.5p	Aug 2013 - Aug 2020	80,000	-	80,000
2012	34.0p	Oct 2012 - Sep 2022	233,000	-	233,000

The exercise of options under the Unapproved Share Option Schemes, for certain option issues, is subject to the satisfaction of objective performance conditions specified by the remuneration committee, which will conform to institutional shareholder guidelines and best practice provisions in force from time to time. The performance conditions for the 2004 and 2010 scheme, agreed by members on 23 June 2005 and 31 August 2010 respectively, requires growth in net assets over a three year period to exceed the growth of the retail prices index by a scale of percentages. There are no performance conditions attached to the other schemes.

The 2012 options were valued at £212,000 at date of grant using the Black-Scholes-Merton model with the following assumptions:

Expected volatility	38.83%
Expected life	4.00 Years
Risk free rate	0.50%
Expected dividends	3.48%

Expected volatility was determined by reference to the historical volatility of the share price over a period commensurate with the option's expected life. The expected life used in the model is based on the risk-averse balance likely to be required by the option holders.

	2013 Number	**2013 Weighted average exercise price**	2012 Number	2012 Weighted average exercise price
Outstanding at 1 January	**718,000**	**157.7p**	798,000	145.2p
Granted during year	**-**	**-**	233,000	34.0p
Cancelled during the year	**-**	**-**	(233,000)	34.0p
Exercised during the year	**-**	**-**	(80,000)	34.0p
Outstanding at 31 December	**718,000**	**157.7p**	718,000	157.6p
Exercisable at 31 December	**718,000**	**157.7p**	638,000	152.0p

26. Non-controlling interest

	2013 £'000	2012 £'000
As at 1 January	**444**	231
Share of profit for the year	**9**	245
Exchange adjustment	**(94)**	(32)
As at 31 December	**359**	444

The non-controlling interest relates to the disposal of a 37.5% shareholding in Black Wattle Colliery (pty) Ltd in 2010. The total issued share capital in Black Wattle Colliery (pty) Ltd was increased from 136 shares to 1,000 shares at par of R1 (South African Rand) through the following shares issue:

- a subscription for 489 ordinary shares at par by Bisichi Mining (Exploration) Limited increasing the number of shares held from 136 ordinary shares to a total of 675 ordinary shares;
- a subscription for 110 ordinary shares at par by Vunani Mining (pty) Ltd;
- a subscription for 265 "A" shares at par by Vunani Mining (pty) Ltd

Bisichi Mining (Exploration) Limited is a wholly owned subsidiary of Bisichi Mining PLC incorporated in England and Wales.

Vunani Mining (pty) Ltd is a South African Black Economic Empowerment company and minority shareholder in Black Wattle Colliery (pty) Ltd.

The "A" shares rank pari passu with the ordinary shares save that they will have no dividend rights until such time as the dividends paid by Black Wattle Colliery (pty) Ltd on the ordinary shares subsequent to 30 October 2008 will equate to R832,075,000.

A non-controlling interest of 15% in Black Wattle Colliery (pty) Ltd is recognised for all profits distributable to the 110 ordinary shares held by Vunani Mining (pty) Ltd from the date of issue of the shares (18 October 2010). An additional non-controlling interest will be recognised for all profits distributable to the 265 "A" shares held by Vunani Mining (pty) Ltd after such time as the profits available for distribution, in Black Wattle Colliery (pty) Ltd, before any payment of dividends after 30 October 2008, exceeds R832,075,000.

27. Related party transactions

	At 31 December		During the year	
	Amounts owed to related party £'000	Amounts owed by related party £'000	Costs recharged (to)/by related party £'000	Cash paid (to)/by related party £'000
Related party:				
London & Associated Properties PLC (note (a))	-	-	138	(144)
Langney Shopping Centre Unit Trust (note (b))	-	(232)	-	(217)
Dragon Retail Properties Limited (note (c))	1,205	(2,000)	(180)	180
Ezimbokodweni Mining (pty) Limited (note (d))	-	(984)	(109)	-
As at 31 December 2013	**1,205**	**(3,216)**	**(151)**	**(319)**
London & Associated Properties PLC (note (a))	6	-	172	(533)
Langney Shopping Centre Unit Trust (note (b))	-	(15)	-	64
Dragon Retail Properties Limited (note (c))	1,205	(2,000)	(145)	(1,855)
Ezimbokodweni Mining (pty) Limited (note (d))	-	(1,117)	(14)	-
As at 31 December 2012	**1,211**	**(3,132)**	**13**	**(2,324)**

London & Associated Properties PLC is a substantial shareholder. Langney Shopping Centre Unit Trust and Dragon Retail Properties Limited are joint ventures and are treated as non-current asset investments. Ezimbokodweni Mining (pty) Limited is a joint venture and is treated as a non-current asset investment.

(a) **London & Associated Properties PLC** - Property management, office premises, general management, accounting and administration services are provided for Bisichi Mining PLC and its UK subsidiaries.

(b) **Langney Shopping Centre Unit Trust** - Langney Shopping Centre Unit Trust is an unlisted property unit trust incorporated in Jersey.

(c) **Dragon Retail Properties Limited** - ("Dragon") is owned equally by the company and London & Associated Properties PLC. During 2012 the company lent £2million to Dragon at 6.875 per cent annual interest.

(d) **Ezimbokodweni Mining (pty) Limited** - Ezimbokodweni Mining is a prospective coal production company based in South Africa.

Details of key management personnel compensation and interest in share options are shown in the Directors' Remuneration Report on pages 30 and 31 under the headings Directors' remuneration, Pension schemes and incentives and Share option schemes which is within the audited part of this report. The total employers' national insurance paid in relation to the remuneration of key management was £111,000 (2012: 108,000). In 2012 a loan was made to one of the directors, Mr A R Heller, for £116,000.

28. Employees

	2013 £'000	2012 £'000
The average weekly numbers of employees of the group during the year were as follows:		
Production	**220**	218
Administration	**20**	19
	240	237
	£'000	£'000
Staff costs during the year were as follows:		
Salaries	**5,395**	5,607
Social security costs	**115**	129
Pension costs	**220**	236
Share based payments	**120**	28
	5,850	6,000

29. Capital commitments

	2013 £'000	2012 £'000
Commitments for capital expenditure approved but not contracted for at the year end	**402**	507
Share of commitment of capital expenditure in joint venture	**1,451**	1,829

30. Head lease commitments and future property lease rentals

Present value of head Leases on properties

	Minimum lease payments		Present value of minimum lease payments	
	2013 £'000	2012 £'000	**2013 £'000**	2012 £'000
Within one year	**12**	13	**12**	13
Second to fifth year	**49**	50	**45**	47
After five years	**1,589**	1,527	**139**	142
	1,650	1,590	**196**	202
Discounting adjustment	**(1,454)**	(1,388)	**-**	-
Present value	**196**	202	**196**	202

30. Head lease commitments and future property lease rentals continued

Finance lease liabilities are in respect of leased investment property. Many of the leases provide for contingent rents in addition to the rents above which are a proportion of rental income. Finance lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in event of default.

The group leases out its investment properties under operating leases. The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	2013 £'000	2012 £'000
Within one year	**859**	847
Second to fifth year	**3,195**	2,718
After five years	**9,879**	10,332
	13,933	13,897

31. Contingent liabilities

Bank guarantees have been issued by the bankers of Black Wattle Colliery (pty) Limited on behalf of the company to third parties. The guarantees are secured against the assets of the company and have been issued in respect of the following:

	2013 £'000	2012 £'000
Rail siding	**62**	78
Rehabilitation of mining land	**1,153**	1,454
Water & electricity	**54**	68

COMPANY BALANCE SHEET

at 31 December 2013

	Notes	**2013 £'000**	2012 £'000
Fixed assets			
Tangible assets	33	**11,605**	11,614
Investment in joint ventures	34	**1,810**	1,734
Other investments	34	**1,714**	1,686
Debtors - amounts due in more than one year	35	**1,313**	1,055
		16,442	16,089
Current assets			
Debtors - amounts due within one year	35	**3,082**	3,436
Bank balances		**799**	1,136
		3,881	4,572
Creditors - amounts falling due within one year	36	**(7,425)**	(7,287)
Net current liabilities		**(3,554)**	(2,715)
Total assets less current liabilities		**12,898**	13,374
Creditors - amounts falling due in more than one year - medium term bank loan	36	**(90)**	(86)
Provision for liabilities and charges	37	**-**	(40)
Net assets		**12,808**	13,248
Capital and reserves			
Called up share capital	23	**1,064**	1,056
Share premium account	38	**249**	169
Revaluation reserve	38	**5,632**	5,685
Other reserves	38	**503**	443
Retained earnings	38	**5,360**	5,895
Shareholders' funds		**12,808**	13,248

The company financial statements were approved and authorised for issue by the board of directors on 17 April 2014 and signed on its behalf by:

A R Heller
Director

G J Casey
Director

Company Registration No. 112155

COMPANY ACCOUNTING POLICIES

for the year ended 31 December 2013

The following are the main accounting policies of the company:

Accounting convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, and in accordance with applicable UK Generally Accepted Accounting Practice.

Dividends received

Dividends are credited to the profit and loss account when received.

Depreciation

Provision for depreciation on tangible fixed assets is made in equal annual instalments to write each item off over its useful life. The rates generally used are:

Motor vehicles	25 - 33 per cent
Office equipment	10 - 33 per cent

Foreign currencies

Monetary assets and liabilities expressed in foreign currencies have been translated at the rates of exchange ruling at the balance sheet date. All exchange differences are taken to the profit and loss account.

Investment properties

The investment property portfolio is included in the financial statements at open market valuation. An external professional valuation is carried out annually by professional external surveyors. Surpluses and deficits arising on valuations are taken direct to the revaluation reserve. No depreciation or amortisation is provided in respect of freehold and leasehold investment properties. The directors consider that this accounting policy, which is not in accordance with the Companies Act 2006, results in the accounts giving a true and fair view. Depreciation or amortisation is only one of many factors reflected in the valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Investments

Investments of the company are stated in the balance sheet as fixed assets at cost less provisions for impairment.

Financial instruments

Bank loans and overdrafts

Bank loans and overdrafts are included in creditors on the company balance sheet net of the unamortised cost of financing.

Interest payable on those facilities is expensed as a finance cost in the period to which it relates.

Interest rate derivatives

The company uses derivative financial instruments to manage the interest rate risk associated with the financing of the group's business. No trading in such financial instruments is undertaken.

Debtors

Amounts due from subsidiary undertakings are held at present value where the interest that would be recognised from discounting future cash payments is considered to be material. Other debtors do not carry interest and are stated at their nominal value as reduced by appropriate allowances for estimated recoverable amounts.

Creditors

Creditors are not interest bearing and are stated at their nominal value.

Joint ventures

Investments in joint ventures, being those entities over whose activities the group has joint control as established by contractual agreement, are included at cost, less impairment.

Deferred taxation

As required by FRS 19 "Deferred Tax", full provision is made for deferred tax arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation, except for those timing differences in respect of which the standard specifies that deferred tax should not be recognised. Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Leased assets and obligations

All leases are "Operating Leases" and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term. Rent free periods or other incentives received for entering into a lease are accounted for over the period of the lease so as to spread the benefit received over the lease term.

Pensions

The company makes contributions to a money purchase scheme and the costs are charged to the profit and loss account in the period to which they relate.

Share based remuneration

The company operates a share option scheme. The fair value of the share option scheme is determined at the date of grant. This fair value is then expensed on a straight-line basis over the vesting period, based on an estimate of the number of shares that will eventually vest. The fair value of options granted is calculated using a binomial model or Black-Scholes-Merton model. Details of the share options in issue are disclosed in the Directors' Remuneration Report on pages 30 and 31 under the heading Share option schemes which is within the audited part of this report.

32. Dividends

The aggregate amount of dividends comprises:

	2013 £'000	2012 £'000
Final dividends in respect of prior year but not recognised as liabilities in that year:	**425**	422

The aggregate amount of dividends to be paid and not recognised as liabilities as at year end is £425,000 (2012: £422,000).

33. Tangible fixed assets

	Investment properties Freehold £'000	Long leasehold £'000	Motor vehicles £'000	Office equipment £'000	**Total £'000**
Cost or valuation at 1 January 2013	8,889	2,723	48	53	**11,713**
Additions	-	-	38	10	**48**
Disposals	-	-	(49)	-	**(49)**
Revaluation	146	(199)	-	-	**(53)**
Cost or valuation at 31 December 2013	**9,035**	**2,524**	**37**	**63**	**11,659**
At valuation	9,035	2,524	-	-	**11,559**
At cost	-	-	37	63	**100**
	9,035	**2,524**	**37**	**63**	**11,659**
Accumulated depreciation at 1 January 2013	-	-	48	51	**99**
Charge for the year	-	-	2	2	**4**
Disposals	-	-	(49)	-	**(49)**
Accumulated depreciation at 31 December 2013	**-**	**-**	**1**	**53**	**54**
Net book value at 31 December 2013	**9,035**	**2,524**	**36**	**10**	**11,605**
Net book value at 31 December 2012	8,889	2,723	-	2	**11,614**

Details of historical cost of investment properties are shown in note 10.

34. Investments

	Joint ventures shares £'000	Subsidiaries Shares £'000	Subsidiaries Loans £'000	Other investments £'000	Total £'000
Cost at 1 January 2013	**1,734**	361	1,325	-	**1,686**
Invested during year	**76**	-	3	26	**29**
Cost at 31 December 2013	**1,810**	**361**	**1,328**	**-**	**1,715**
Provision for impairment					
As at 1 January	-	-	-	-	**-**
Transfer	-	-	-	(1)	**(1)**
As at 31 December 2013	**-**	**-**	**-**	**(1)**	**(1)**
Net book value at 31 December 2013	**1,810**	**361**	**1,328**	**25**	**1,714**
Net book value at 31 December 2012	1,734	361	1,325	-	1,686

Other investments comprise £25,000 (2012: £nil) shares.

Investments in subsidiaries are detailed in note 14. In the opinion of the directors the aggregate value of the investment in subsidiaries is not less than the amount shown in these financial statements.

35. Debtors

	2013 £'000	2012 £'000
Amounts due within one year:		
Amounts due from subsidiary undertakings	**295**	928
Trade receivables	**163**	181
Other debtors	**135**	128
Joint venture	**2,232**	2,000
Prepayments and accrued income	**257**	199
	3,082	3,436
Amounts due in more than one year:		
Amounts due from subsidiary undertakings	**1,295**	1,055
Deferred taxation	**18**	-
	1,313	1,055

36. Creditors

	2013 £'000	2012 £'000
Amounts falling due within one year:		
Bank overdraft (secured)	**269**	59
Bank loan (secured)	**5,007**	5,000
Joint venture	**1,205**	1,205
Current taxation	**2**	2
Other taxation and social security	**95**	86
Other creditors	**323**	233
Accruals and deferred income	**524**	702
	7,425	7,287
Amounts falling due in more than one year:		
Bank loan (secured)	**90**	86

	2013 £'000	2012 £'000
Bank and other loan instalments by reference to the balance sheet date:		
Within one year	**5,007**	5,000
From one to two years	**7**	-
From two to five years	**83**	86
	5,097	5,086

The bank loan of the company is secured by a charge over freehold and long leasehold properties.

37. Provisions for liabilities

	2013 £'000	2012 £'000
Deferred taxation		
Balance at 1 January	**40**	-
Provision	**-**	40
Transfer	**(40)**	-
	-	40

No provision has been made for the approximate taxation liability at 23.5% (2012: 24.5%) of £713,000 (2012: £895,000) which would arise if the investment properties were sold at the stated valuation.

38. Share capital & reserves

	Share capital £'000	Share premium £'000	Revaluation reserve £'000	Other reserve £'000	Retained earnings £'000	Shareholders funds £'000
Balance at 1 January 2013	1,056	169	5,685	443	5,895	13,248
Dividend paid	-	-	-	-	(425)	(425)
Revaluation of investment property	-	-	(53)	-	-	(53)
Share options	8	80	-	60	-	148
Retained loss for the year	-	-	-	-	(110)	(110)
Balance at 31 December 2013	**1,064**	**249**	**5,632**	**503**	**5,360**	**12,808**

A profit and loss account for Bisichi Mining PLC has not been presented as permitted by Section 408(2) of the Companies Act 2006. The loss for the financial year, before dividends, was £110,000 (2012: Profit: £164,000)

Details of share capital are set out in note 23 and details of the share options are shown in the Directors' Remuneration Report on page 31 under the heading Share option schemes which is within the audited part of this report and note 25.

39. Related party transactions

	At 31 December	During the year	
	Amounts owed by related party £'000	Costs recharged / accrued (to) / by related party £'000	Cash paid (to)/ by related party £'000
Related party:			
Black Wattle Colliery (pty) Ltd (note (a))	(2,514)	(1,264)	1,177
Ninghi Marketing Limited (note (b))	(102)	-	-
As at 31 December 2013	**(2,616)**	**(1,264)**	**(1,177)**
Black Wattle Colliery (pty) Ltd (note (a))	(2,921)	(1,396)	1,398
Ninghi Marketing Limited (note (b))	(102)	-	-
As at 31 December 2012	**(3,023)**	**(1,396)**	**1,398**

(a) **Black Wattle Colliery (pty) Ltd** - Black Wattle Colliery (pty) Ltd is a coal mining company based in South Africa.

(b) **Ninghi Marketing Limited** - Ninghi Marketing Limited is a dormant coal marketing company incorporated in England & Wales.

In addition to the above, the company has issued a company guarantee of R17,000,000 (2012: R17,000,000) (South African Rand) to the bankers of Black Wattle Colliery (pty) Ltd in order to cover bank guarantees issued to third parties in respect of the rehabilitation of mining land.

A provision of £102,000 has been raised against the amount owing by Ninghi Marketing Limited as the company is dormant.

In 2012 a loan was made to one of the directors, Mr A R Heller, for £116,000. Interest is repayable on the loan at a rate of 6.14%. There is no fixed repayment date and no repayments were made during the year.

Under Financial Reporting Standard 8 Related Party Disclosures, the company has taken advantage of the exemption from disclosing transactions with other wholly owned group companies.

Details of other related party transactions are given in note 27 of the Group financial statements.

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