BISICHI

BISICHI MINING PLC ANNUAL REPORT 2014

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GENERATING SUSTAINABLE VALUE FOR OUR STAKEHOLDERS

EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) OF

£4.6 million

(2013 £3.0 million)

£3.5 million

EBITDA IN THE SECOND HALF OF THE YEAR

UK PROPERTY PORTFOLIO CONTINUES TO PERFORM WELL WITH A NEW

£6 million

LOAN FACILITY SIGNED WITH SANTANDER UK PLC

DIVIDEND YIELD OF

5%

AT YEAR END SHARE PRICE

STRATEGIC REPORT

Chairman's Statement

I am very pleased to be able to inform shareholders that your Company achieved earnings before interest, tax, depreciation and amortisation (EBITDA) of £4.6 million (2013: £3.0 million). Of these earnings, £3.5 million were generated in the second half of the year.

To a significant extent, this strong performance in the second half of the year can be attributed to the successful implementation of the turnaround plan put in place by your management in London and at Black Wattle Colliery, our direct coal mining asset, in South Africa.

As reported last year, at the end of 2013 the open cast mining operations at Black Wattle were severely impacted when one of our main production pits ran into unrecorded old underground workings. A turnaround plan was put in place. This involved the swift movement of the machinery to two of our more profitable production pits in order to increase production from these areas.

Although the plan initially suffered a short-term set-back caused by the unusually heavy rainfall in the first quarter of 2014, Black Wattle steadily increased production from its lower costing pits. This increased production from the two existing pits ensured that the mine returned to acceptable levels of profitability in the second half of 2014.

In regard to the new reserve at Blue Nightingale, plans were initiated to develop the reserve by the end of 2014. We are pleased to report that delivery of coal from the reserve has commenced and we expect the reserve to begin to contribute to earnings in 2015.

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

During the second half of last year, Black Wattle became a level 4 contributor to Broad Based Black Economic Empowerment ("BBBEE"). Our staff deserve our thanks for their hard work in achieving this status as well as for their continued efforts in improving our BBBEE rating and credentials.

The coal mined during the year, at a lower cost of production than 2013, helped offset the impact of the weaker international coal prices experienced throughout 2014. Although we expect depressed coal prices to continue, Black Wattle will continue its focus on keeping its cost of production low and we remain highly confident on the prospects of our coal mining activities in South Africa.

The Company's UK retail property portfolio, which underpins the Group and which is managed actively by London & Associated Properties PLC, continues to perform well. We are pleased to report that in December 2014, the group signed a £6 million 5-year term loan facility with Santander UK PLC. This new loan replaces the previous £5 million term facility and overdraft facility held with Royal Bank of Scotland. This new loan is secured against the group's UK retail property portfolio which was externally valued at the 2014 year end at £11.6million (2013: £11.6million).

On the behalf of all shareholders, I would like to thank Robert Corry, who retired at the end of 2014, for his services to the Group. Robert, a director of Black Wattle Colliery for over 20 years, has made a significant contribution to the development of our coal business and the banking side of Bisichi's UK property portfolio. We wish him the very best in his retirement.

Finally, your directors have decided to hold the dividend at the 2013 level and will recommend to you, our shareholders, a final dividend of 3p (2013: 3p) payable on Friday 31 July 2015 to shareholders registered at the close of business on 3 July 2015 making the total for the year 4p (2013: 4p). Based on the 2014 year end share price, this represents a 5% yield, which is at the high end of the mining sector.

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

Michael Heller

Sir Michael Heller
Chairman

27 April 2015

Equality

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

Procurement

During 2014 Black Wattle became a level 4 contributor to Broad Based Black Economic Empowerment

STRATEGIC REPORT

Mining Review

The strong earnings achieved in the second half of the year at Black Wattle, our South African coal mining operation, can be mainly attributed to improved production at Black Wattle's profitable opencast pits.

Although we continue to operate in an environment of historically low coal prices, we expect the changes implemented at Black Wattle to result in a continued strong performance from our South African operations going into 2015.

PRODUCTION AND OPERATIONS

Although overall Run of Mine production from Black Wattle weakened in 2014, with total production for the year of 1.53million metric tonnes (2013: 1.77million metric tonnes), production improved in the second half of the year. Average monthly Run of Mine production increased from 115,000 metric tonnes in the first half of the year to 140,000 metric tonnes in the second half.

As announced in the Chairman's Statement, we are expecting a contribution to earnings from the Blue Nightingale reserve in 2015. Blue Nightingale, is a South African black owned and managed mining company and we are very pleased to be continuing our successful relationship. As previously reported, the coal delivered is part of an agreement to purchase Run of Mine coal from an opencast reserve nearby to Black Wattle. Additional drilling at year end has confirmed that the reserve consists of approximately 2.6million 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.

Black Wattle will look to combine production from Black Wattle's existing reserves with coal received from the new reserve at Blue Nightingale.

MAIN TRENDS/MARKETS

International coal prices continued to weaken. At the beginning of 2014, the average weekly price of Free on Board (FOB) Coal from Richards Bay Coal Terminal (API4) was $85. By the end of the year the price had weakened to under $64. Further weakness in 2015 has seen the coal price go below $60, less than half the price of $120 achieved three years previously in 2011. A depreciation in the South African Rand against the US Dollar has helped to partially offset this decline. Looking forward, we continue to see strong demand for our coal in both the domestic and export markets and we will continue to focus on keeping our cost of production low in order to offset the impact of lower international coal prices.

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 2014:

- 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 2014.

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. During 2014 the project self-funded the purchase of an additional bailing machine, an important milestone in bringing the project to a position of self-sustainability.
- Various upgrades were initiated at the Evergreen School nearby to Black Wattle including upgrades to the roof, classrooms and outer areas.

PROCUREMENT

As reported in the Chairman's Statement, Black Wattle Colliery is now a level 4 BBBEE contributor.

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.

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 2014 were:

- 13 employees were trained in ABET (Accreditation Board for Engineering and Technology) level one;
- An additional 5 disabled women have started training on ABET level one and two; and
- Plans have been put in place for 2015 for a further 10 employees to be trained on ABET level one, two or three and 1 employee will be trained on ABET level four.
- 4 HDSA Females have commenced apprenticeship at the mine.

PROSPECTS

Plans have been put in place to ensure Black Wattle is able to provide consistent production from its own existing reserves as well as reserves developed in partnership with our BEE partners. Although international coal prices remain depressed, management continue to remain confident in the ability to achieve significant value from our existing South African mining operations.

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

Andrew Heller
Managing Director

27 April 2015

People

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

STRATEGIC REPORT

Risk & Performance

The directors present the Strategic Report of the Company for the year ending 31 December 2014. 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.

Product

Black Wattle produced 1.53 million metric tonnes of Run of Mine coal in 2014 (2013: 1.77 million metric tonnes)

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:

	2014 £'000	2013 £'000
For South African mining activities:		
Earnings before interest, tax, depreciation, and amortisation (EBITDA)	**3,139**	2,268
For our UK property investment operations:		
Net property valuation	**11,575**	11,559
For the Group:		
Profit before tax	**1,568**	102
Earnings before interest, tax, depreciation, and amortisation (EBITDA)	**4,609**	3,039

FINANCIAL POSITION

In December 2014, the group signed a £6 million term loan facility with Santander. This new loan replaces the previous £5 million term facility and overdraft held with Royal Bank of Scotland. The Loan is secured against the group's UK retail property portfolio. The new debt package has a five year term and is repayable at the end of the term. The interest cost of the loan is 2.35% above LIBOR.

The property portfolio was externally valued at 31 December 2014 and the value of UK investment properties attributable to the group at year end was £11.6million (2013: £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.

The group's cash and cash equivalents (excluding bank overdrafts) at year end were £2.8million (2013: £1.7million). The net assets of the group at the year end were £17.7million (2013: £17.0million). 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 42.

CASHFLOW

The Company at year end had a net amount of cash and cash equivalents (including bank overdrafts) of £0.7 million (2013: net balance owing of £1.3 million). Details on the group's cashflow position are stated in the Consolidated Cashflow Statement on page 45. 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 2015.

Environmental Management

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

The Group's carbon footprint:

	2014 CO_2e Tonnes	2013 CO_2e Tonnes
Emissions source:		
Scope 1 Combustion of fuel & operation of facilities	**14,867**	24,862
Scope 1 Emissions from coal mining activities	**26,872**	31,014
Scope 2 Electricity, heat, steam and cooling purchased for own use	**8,300**	9,947
Total	**50,039**	65,823
Intensity:		
Intensity 1 Tonnes of CO_2 per pound sterling of revenue	**0.00189**	0.00188
Intensity 2 Tonnes of CO_2 per tonne of coal produced	**0.0327**	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 217 employees (165 male, 52 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

27 April 2015

Community

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

Management team

1 Sir Michael Heller
Chairman
Bisichi Mining PLC

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

3 Christopher Joll
Senior Independent Director,
Chairman Audit
and Remuneration
Committees

4 Garrett Casey
Finance Director
Bisichi Mining PLC,
Director
Black Wattle Colliery

5 Robert Grobler
Director of Mining
Bisichi Mining PLC,
Director
Black Wattle Colliery

6 Ethan Dube
Director
Black Wattle Colliery

7 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
Garrett Casey CA (SA)
24 Bruton Place
London W1J 6NE

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

Property portfolio asset manager
James Charlton BSc MRICS

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

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

AUDITOR
BDO LLP

Principal bankers
United Kingdom
Santander UK PLC
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

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Five year summary

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Consolidated income statement					
Revenue	**26,500**	35,105	35,962	29,909	32,824
Operating profit/ (loss)	**1,364**	123	2,568	(1,328)	(1,705)
Profit/ (loss) before tax	**1,568**	102	2,190	(1,450)	(1,813)
Trading profit before tax	**1,157**	17	2,808	(1,210)	(2,209)
Revaluation profit before tax	**411**	85	(618)	(240)	396
Profit before interest, taxation and depreciation	**4,609**	3,039	4,684	1,150	770
Consolidated balance sheet					
Investment properties	**11,575**	11,559	11,612	12,068	12,110
Fixed asset investments	**4,090**	4,370	4,309	2,727	3,757
	15,665	15,929	15,921	14,795	15,867
Current asset investments	**796**	822	787	2,515	605
	16,461	16,751	16,708	17,310	16,472
Other assets less liabilities less non-controlling interests	**854**	(123)	607	(537)	1,482
Total equity attributable to equity shareholders	**17,315**	16,628	17,315	16,773	17,954
Net assets per ordinary share	**162.2p**	156.3p	164.0p	158.9p	171.8p
Dividend per share	**4.00p**	4.00p	4.00p	4.00p	4.00p

Financial calendar

10 June 2015	Annual General Meeting
31 July 2015	Payment of final dividend for 2014 (if approved)
Late August 2015	Announcement of half-year results to 30 June 2015
Late April 2016	Announcement of results for year ending 31 December 2015

GOVERNANCE

Directors' report

The directors submit their report together with the audited financial statements for the year ended 31 December 2014.

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 2014 are shown on pages 40 to 80 and in the Strategic Report on pages 2 to 15. 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 15.

CORPORATE RESPONSIBILITY

Environment

The environmental issues of the group's South African coal mining operations are covered in the Strategic Report on pages 2 to 15.

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 2014 can be found on page 15 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 2014 of 1p was paid on 6 February 2014 (Interim 2013: 1p). The directors recommend the payment of a final dividend for 2014 of 3p per ordinary share (2013: 3p) making a total dividend for 2014 of 4p (2013: 4p).

Subject to shareholder approval, the total dividend per ordinary share for 2014 will be 4p per ordinary share.

The final dividend will be payable on Friday 31 July 2015 to shareholders registered at the close of business on 3 July 2015.

INVESTMENT PROPERTIES

The investment property portfolio is stated at its open market value of £11,575,000, at 31 December 2014 (2013: £11,559,000) 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 £4,021,000 (2013: £3,599,000).

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 directors retiring by rotation are Mr R J Grobler and Mr A R Heller who offers themselves for re-election.

Robert Grobler was appointed as General Mine Manager by Black Wattle Colliery (Proprietary) Ltd on 1 May 2000. He was appointed to the Board of Bisichi Mining PLC as Director of Mining on 22 August 2008. He has over 40 years' experience in the South African coal mining industry. He is a professional engineer and member of the South African Coal Managers Association.

Andrew Heller has been an executive director since 1998. He is a Chartered Accountant and has been employed by the group since 1994 under a contract of employment determinable at three months' notice.

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 30 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 27 April 2015:

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 –	1,671,610 shares representing 15.7 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 2014 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 37. 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 28 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 35.

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 2014 and attendance at regular Board meetings and Board committees was as follows:

		Meetings held	Meetings Attended
Sir Michael Heller	Board	6	6
	Nomination committee	1	1
A R Heller	Board	6	6
	Audit committee	2	2
G J Casey	Board	6	5
	Audit committee	2	2
R J Grobler	Board	6	2
C A Joll	Board	6	6
	Audit committee	2	2
	Nomination committee	1	1
	Remuneration committee	1	1
J A Sibbald	Board	6	6
	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 2014 (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, 10 June 2015 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 27 April 2015 (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 27 April 2015 (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 Investment Management Association (IMA).

The authority granted by resolution 8 will expire on 31 August 2016 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 IMA.

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 27 April 2015 (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 £53,384 which represents approximately 5 per cent. of the ordinary share capital of the company in issue (excluding treasury shares) as at 27 April 2015 (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 2014. 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 27 April 2015 (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 27 April 2015 (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 598,000 shares representing 5.60 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 6.22 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 (2013: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 an improvement in profitability in the second half of 2014. The directors expect that that the market conditions experienced in the second half of 2014 will be similar going into 2015. The directors therefore have a reasonable expectation that the mine will continue to achieve acceptable levels of profitability in 2015. 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. During the year Black Wattle breached one of the covenants of the facility related to the accounting net asset value of the company. Due to the improved performance of the company the breach was subsequently rectified and the breach did not affect the ongoing use of the facility, or the ability to renew the facility again at the appropriate times.

In December 2014, the group signed a £6 million term loan facility with Santander. This new loan replaces the previous £5 million term facility and overdraft held with Royal Bank of Scotland. The Loan is secured against the Company's UK retail property portfolio. The new debt package has a five year term and is repayable at the end of the term. The interest cost of the loan is 2.35% above LIBOR.

As a result of the completion of the above agreed banking facilities as well as the acceptable levels of profitability and cash generation the mine is expected to continue to achieve in 2015, the Directors believe that the company has 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

G.J Casey
Secretary

24 Bruton Place
London W1J 6NE

27 April 2015

Statement of the Chairman of the remuneration committee

The remuneration committee presents its report for the year ended 31 December 2014.

The Annual Remuneration Report 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 2015.

A copy of the remuneration policy, which details the remuneration policy for directors, can be found at www.bisichi.co.uk. The remuneration policy was subject to a binding vote which was approved by shareholders at the AGM in June 2014. The approval will apply for a 3 year period commencing 11 June 2014. The approved policy took effect from 11 June 2014.

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

27 April 2015

Annual remuneration report

The following information has been audited:

Single total figure of remuneration for the year ended 31 December 2014

	Salaries and Fees	Bonuses	Benefits	Pension	**Total before Share options**	Notional value of vesting Share options	**Total 2014**
Executive Directors							
Sir Michael Heller	75	-	-	-	**75**	-	**75**
A R Heller	450	300	54	32	**836**	26	**862**
G J Casey	124	100	14	16	**254**	-	**254**
R Grobler	149	102	15	8	**274**	-	**274**
Non–Executive Directors							
C A Joll*	25	-	-	-	**25**	-	**25**
J A Sibbald*	2	-	3	-	**5**	-	**5**
Total	**825**	**502**	**86**	**56**	**1,469**	**26**	**1,495**

*Members of the remuneration committee for the year ended 31 December 2014

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
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

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 (2013: three) directors have benefits under money purchase pension schemes. Contributions in 2014 were £56,000 (2013: £53,000), see table above.

SCHEME INTERESTS AWARDED DURING THE YEAR

No scheme options were awarded during the year ended 31 December 2014.

SHARE OPTION SCHEMES

The Company currently has three "Unapproved" Share Option Schemes which are not subject to HM Revenue and Customs (HMRC) approval. 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. Existing options over ordinary shares granted under the First Scheme lapsed on 29 September 2012. All available options under each of the Schemes have been granted.

	Option price*	Number of share options 1 January 2014	Options Granted/ (Exercised) in 2014	31 December 2014	Exercisable from	Exercisable to
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	(40,000)	193,000	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 the 2010 scheme, agreed by members on 31 August 2010, 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 2014.

PAYMENTS FOR LOSS OF OFFICE

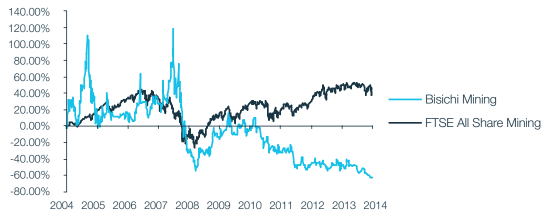
No payments for loss of office were made in the year ended 31 December 2014.

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 31.12.2014	Beneficial 1.1.2014	Non-beneficial 31.12.2014	Non-beneficial 1.1.2014
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	40,000	-	-	-

The following information is unaudited:
The following graph illustrates the Company's performance compared with a broad equity market index over a ten 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 2014 was 80p (2013-109.75p). During the year the share price ranged between 78p and 125p.

REMUNERATION OF THE MANAGING DIRECTOR OVER THE LAST TEN YEARS

The table below demonstrates the remuneration of the holder of the office of Managing Director for the last ten years for the period from 1 January 2005 to 31 December 2014.

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* %
2014	A R Heller	836	22%	N/A
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	AR Heller	817	N/A	N/A
2008	AR Heller	716	N/A	N/A
2007	AR Heller	961	N/A	N/A
2006	AR Heller	462	N/A	N/A
2005	AR Heller	413	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 prior to 2014.

PERCENTAGE CHANGE IN REMUNERATION OF DIRECTOR UNDERTAKING ROLE OF MANAGING DIRECTOR

	Managing Director £'000			UK based employees £'000		
	2014	2013	% change	2014	2013	% change
Base salary	450	450	0%	199	194	2.6%
Benefits	54	31	74.2%	14	10	40.0%
Bonuses	300	103	191.3%	100	75	33.3%

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:

	2014 £'000	2013 £'000
Employee remuneration	**5,057**	5,850
Distribution to shareholders	**427**	425

STATEMENT OF IMPLEMENTATION OF REMUNERATION POLICY

The remuneration policy was approved at the AGM in June 2014. The policy took effect from 11 June 2014 and will apply for 3 years unless changes are deemed necessary by the Remuneration committee. The Company may not 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 2014. No increases were awarded and no external advice was taken in reaching this decision.

SHAREHOLDER VOTING

At the Annual General Meeting on 11 June 2014, there was an advisory vote on the resolution to approve the remuneration report, other than the part containing the remuneration policy. In addition, there was a binding vote on the resolution to approve the remuneration policy the results of which are detailed below:

	% of votes for	% of votes against	No of votes withheld
Resolution to approve the Remuneration Report	98.73%	1.06%	4,693
Resolution to approve the Remuneration Policy	98.75%	1.04%	5,405

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 29 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.

REMUNERATION POLICY TABLE

The remuneration policy table below is an extract of the Group's remuneration policy on directors' remuneration, which was approved by a binding vote at the 2014 AGM. The approved policy took effect from 11 June 2014. A copy of the full policy can be found at www.bisichi.co.uk.

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 2014 is shown in the table on page 28
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 29)	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

REMUNERATION POLICY TABLE continued

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 28)		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		

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.

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
27 April 2015

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 2014 by the company as detailed in our Valuation Report dated 25 February 2015.

Having regard to the foregoing, we are of the opinion that the open market value as at 31 December 2014 of the interests owned by the Company was £11,575,000 being made up as follows:

	£000
Freehold	8,925
Leasehold	2,650
	11,575

Leeds 25 February 2015	**Carter Towler** 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 statements 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 with regard to the group financial statements 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, whether 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 2014 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 parent 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 2014 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

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
27 April 2015

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

FINANCIAL STATEMENTS

Consolidated income statement

for the year ended 31 December 2014

	Notes	2014 Trading £'000	2014 Revaluations £'000	2014 Total £'000	2013 Trading £'000	2013 Revaluations £'000	2013 Total £'000
Group revenue	1	**26,500**	**-**	**26,500**	35,105	-	35,105
Operating costs	2	**(22,224)**	**-**	**(22,224)**	(31,271)	-	(31,271)
Operating profit before depreciation, fair value adjustments and exchange movements		**4,276**	**-**	**4,276**	3,834	-	3,834
Depreciation	2	**(2,682)**	**-**	**(2,682)**	(2,817)	-	(2,817)
Operating profit before fair value adjustments and exchange movements	1	**1,594**	**-**	**1,594**	1,017	-	1,017
Exchange losses		**(143)**	**-**	**(143)**	(880)	-	(880)
Decrease in value of investment properties	3	**-**	**(6)**	**(6)**	-	(53)	(53)
Increase/(Decrease) in value of other investments		**-**	**1**	**1**	-	(1)	(1)
(Reversal of gains)\ Gains on held for trading investments		**-**	**(82)**	**(82)**	-	40	40
Operating profit/(loss)	1	**1,451**	**(87)**	**1,364**	137	(14)	123
Share of profit in joint ventures	13	**65**	**498**	**563**	-	99	99
Profit before interest and taxation		**1,516**	**411**	**1,927**	137	85	222
Interest receivable		**234**	**-**	**234**	235	-	326
Interest payable	6	**(593)**	**-**	**(593)**	(446)	-	(446)
Profit before tax	4	**1,157**	**411**	**1,568**	17	85	102
Taxation	7	**(348)**	**(17)**	**(365)**	98	164	262
Profit for the year		**809**	**394**	**1,203**	115	249	364
Attributable to:							
Equity holders of the company		**709**	**394**	**1,103**	106	249	355
Non-controlling interest	26	**100**	**-**	**100**	9	-	9
Profit for the year		**809**	**394**	**1,203**	115	249	364
Profit per share – basic	9	**6.64p**	**3.69p**	**10.33p**	1.00p	2.35p	3.35p
Profit per share – diluted	9	**6.57p**	**3.65p**	**10.23p**	0.99p	2.31p	3.30p

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 2014

	2014 £'000	2013 £'000
Profit for the year	**1,203**	364
Other comprehensive income:		
Items that may be subsequently recycled to the income statement:		
Exchange differences on translation of foreign operations	**(121)**	(858)
Transfer of gain on available for sale investments	**56**	-
Taxation	**(15)**	-
Other comprehensive income for the year net of tax	**(80)**	(858)
Total comprehensive income for the year net of tax	**1,123**	(494)
Attributable to:		
Equity shareholders	**1,036**	(409)
Non-controlling interest	**87**	(85)
	1,123	(494)

Consolidated balance sheet

at 31 December 2014

	Notes	2014 £'000	2013 £'000
Assets			
Non-current assets			
Value of investment properties	10	**11,575**	11,559
Fair value of head lease	30	**195**	196
Investment properties		**11,770**	11,755
Mining reserves, plant and equipment	11	**6,064**	7,096
Investments in joint ventures accounted for using equity method	12	**2,898**	3,235
Loan to joint venture	12	**1,040**	984
Other investments	12	**152**	151
Total non-current assets		**21,924**	23,221
Current assets			
Inventories	15	**1,760**	1,756
Trade and other receivables	16	**6,860**	8,659
Corporation tax recoverable		**35**	36
Available for sale investments	17	**796**	822
Cash and cash equivalents		**2,838**	1,707
Total current assets		**12,289**	12,980
Total assets		**34,213**	36,201

	Notes	2014 £'000	2013 £'000
Liabilities			
Current liabilities			
Borrowings	19	**(2,139)**	(8,042)
Trade and other payables	18	**(4,986)**	(8,080)
Current tax liabilities		**(23)**	(2)
Total current liabilities		**(7,148)**	(16,124)
Non-current liabilities			
Borrowings	19	**(6,013)**	(118)
Provision for rehabilitation	20	**(930)**	(874)
Finance lease liabilities	30	**(195)**	(196)
Deferred tax liabilities	22	**(2,208)**	(1,902)
Total non-current liabilities		**(9,346)**	(3,090)
Total liabilities		**(16,494)**	(19,214)
Net assets		**17,719**	16,987
Equity			
Share capital	23	**1,068**	1,064
Share premium account		**258**	249
Translation reserve		**(1,677)**	(1,569)
Available for sale reserve		**41**	-
Other reserves	24	**652**	587
Retained earnings		**16,973**	16,297
Total equity attributable to equity shareholders		**17,315**	16,628
Non-controlling interest	26	**404**	359
Total equity		**17,719**	16,987

These financial statements were approved and authorised for issue by the board of directors on 27 April 2015 and signed on its behalf by:

A R Heller
Director

G J Casey
Director

Company Registration No. 112155

FINANCIAL STATEMENTS

Consolidated statement of **changes in shareholders' equity**

for the year ended 31 December 2014

	Share capital £'000	Share Premium £'000	Translation reserves £'000	Available-for-sale reserves £'000	Other reserves £'000	Retained earnings £'000	Total £'000	Non-controlling interest £'000	Total equity £'000
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**
Other comprehensive income	-	-	(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 1 January 2014	1,064	249	(1,569)	-	587	16,297	16,628	359	**16,987**
Revaluation of investment properties	-	-	-	-	-	(6)	(6)	-	**(6)**
Other income statement movements	-	-	-	-	-	1,109	1,109	100	**1,209**
Profit for the year	-	-	-	-	-	1,103	1,103	100	**1,203**
Other comprehensive income	-	-	(108)	41	-	-	(67)	(13)	**(80)**
Total comprehensive income for the year	-	-	(108)	41	-	1,103	1,036	87	**1,123**
Dividend (note 8)	-	-	-	-	-	(427)	(427)	(42)	**(469)**
Share issues	4	9	-	-	-	-	13	-	**13**
Equity share options	-	-	-	-	65	-	65	-	**65**
Balance at 31 December 2014	**1,068**	**258**	**(1,677)**	**41**	**652**	**16,973**	**17,315**	**404**	**17,719**

Consolidated cash flow statement

for the year ended 31 December 2014

	Year ended 31 December 2014 £'000	Year ended 31 December 2013 £'000
Cash flows from operating activities		
Operating profit	**1,364**	123
Adjustments for:		
Depreciation	**2,682**	2,817
Share based payment expense	**65**	120
Loss/(Gain) on investment held for trading	**82**	(40)
Unrealised loss on investment properties	**6**	53
Unrealised (gain)/loss on other investments	**(1)**	1
Share of profit of joint venture	**-**	-
Cash flow before working capital	**4,198**	3,074
Change in inventories	**(4)**	120
Change in trade and other receivables	**2,438**	(2,320)
Change in trade and other payables	**(2,940)**	433
Change in provisions	**-**	15
Cash generated from operations	**3,692**	1,322
Interest received	**234**	326
Interest paid	**(506)**	(357)
Income tax received	**(14)**	11
Cash flow from operating activities	**3,406**	1,302
Cash flows from investing activities		
Acquisition of reserves, plant and equipment	**(1,903)**	(3,060)
Disposal/(acquisitions) of investments	**-**	(102)
Cash flow from investing activities	**(1,903)**	(3,162)

	Year ended 31 December 2014 £'000	Year ended 31 December 2013 £'000
Cash flows from financing activities		
Borrowings drawn	**5,902**	39
Borrowings repaid	**(5,000)**	(96)
Equity dividends paid	**(427)**	(425)
Net proceeds from issue of ordinary shares	**13**	27
Cash flow from financing activities	**488**	(455)
Net Increase/(decrease) in cash and cash equivalents	**1,991**	(2,315)
Cash and cash equivalents at 1 January	**(1,322)**	718
Exchange adjustment	**50**	275
Cash and cash equivalents at 31 December	**719**	(1,322)
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents as presented in the balance sheet	**2,838**	1,707
Bank overdrafts (secured)	**(2,119)**	(3,029)
	719	(1,322)

FINANCIAL STATEMENTS

Group accounting policies

for the year ended 31 December 2014

BASIS OF ACCOUNTING

The results for the year ended 31 December 2014 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 an improvement in profitability and cashflow in the second half of 2014. The directors expect that that the market conditions experienced in the second half of 2014 will be similar going into 2015. The directors therefore have a reasonable expectation that the mine will continue to achieve acceptable levels of profitability in 2015. 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. During the year Black Wattle breached one of the covenants of the facility related to the accounting net asset value of the company. Due to the improved performance of the company the breach was subsequently rectified and the breach did not affect the ongoing use of the facility, or the ability to renew the facility again at the appropriate times.

In December 2014, the group signed a £6 million term loan facility with Santander. This new loan replaces the previous £5 million term facility and overdraft held with Royal Bank of Scotland. The Loan is secured against the Company's UK retail property portfolio. The new debt package has a five year term and is repayable at the end of the term. The interest cost of the loan is 2.35% above LIBOR. At year-end an amount of £472,500 was held in a blocked account by Santander UK PLC that relates to the new £6million loan facility. The funds have been blocked in order to satisfy the bank that certain conditions relating to the facility will be fulfilled. Subsequent to year end these conditions have been fulfilled and Santander UK PLC have confirmed that these funds will be released in the near future.

As a result of the completion of the above agreed banking facilities, the Directors believe that the company has 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 2014 the following accounting standards and guidance were adopted by the group:

- amendments to IAS 32 – Financial instruments: presentation – offsetting financial assets and financial liabilities
- amendments to IAS 39 – Novation of Derivatives and Continuation of Hedge
- IFRS 10 - 12 and IAS 27 – Investment entities and Joint Arrangements
- IFRIC 21 – Levies

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

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
- IFRS 15 – Revenue from Contracts with Customers
- amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation

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.

The definition of control according to IFRS 10 was applied during the year. "Control" assumes the simultaneous fulfilment of the following three criteria:

- The parent company holds decision-making power over the relevant activities of the investee,
- The parent company has rights to variable returns from the investee, and
- The parent company can use its decision-making power to affect the variable returns.

Investees are analysed for their relevant activities and variable returns, and the link between the variable returns and the extent to which their relevant activities could be influenced in order to ensure the definition is correctly applied.

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 unit of production 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 29 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.

Available for sale investments

Financial assets/liabilities available for sale or held for short-term gain are measured at fair value and movements in fair value are charged/credited to the statement of comprehensive income 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. Joint control is the contractually agreed sharing of control over an arrangement, which exists only when decisions about relevant strategic and/or key operating decisions require unanimous consent of the parties sharing control. Control over the arrangement is assessed by the group in accordance with the definition of control under IFRS 10

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. A review involves determining whether the carrying amounts are in excess of their recoverable amounts. An asset's recoverable amount is determined as the higher of its fair value less costs of disposal and its value in use. Such reviews are undertaken on an asset-by-asset basis, except where assets do not generate cash flows independent of other assets, in which case the review is undertaken on a company or group level.

If the carrying amount of an asset exceeds its recoverable amount 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. Any change in carrying value is recognised in the comprehensive income statement.

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 2014

1. SEGMENTAL REPORTING

		2014		
Business analysis	Mining £'000	Property £'000	Other £'000	**Total £'000**
Significant revenue customer A	12,607	-	-	**12,607**
Significant revenue customer B	6,455	-	-	**6,445**
Significant revenue customer C	1,793	-	-	**1,793**
Other revenue	4,681	931	33	**5,645**
Segment revenue	**25,536**	**931**	**33**	**26,500**
Operating profit before fair value adjustments & exchange movements	864	699	31	**1,594**
Revaluation of investments & exchange movements	(143)	(6)	(81)	**(230)**
Operating profit/(loss) and segment result	**721**	**693**	**(50)**	**1,364**
Segment assets	**12,058**	**12,546**	**2,797**	**27,401**
Unallocated assets				
– Non-current assets				**36**
– Cash & cash equivalents				**2,838**
Total assets excluding investment in joint ventures				**30,275**
Segment liabilities	(6,698)	(1,301)	(14)	**(8,013)**
Borrowings	(60)	(5,973)	-	**(6,033)**
	(6,758)	(7,274)	(14)	**(14,046)**
Unallocated liabilities				**(2,448)**
Total liabilities				**(16,494)**
Net assets				**13,781**
Investment in joint ventures non segmental				**3,938**
Net assets as per balance sheet				**17,719**

Geographic analysis	United Kingdom £'000	South Africa £'000	Other £'000	Unallocated £'000	**Total £'000**
Revenue	964	25,536	-	-	**26,500**
Operating profit/(loss) and segment result	643	721	-	-	**1,364**
Non-current assets excluding investments	11,780	6,030	-	24	**17,834**
Total net assets	6,051	5,296	17	6,355	**17,719**
Capital expenditure	26	1,877	-	-	**1,903**

1. SEGMENTAL REPORTING continued

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**

Geographic analysis	United Kingdom £'000	South Africa £'000	Other £'000	Unallocated £'000	Total £'000
Revenue	988	34,117	-	-	**35,105**
Operating profit 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	**16,986**
Capital expenditure	48	3,012	-	-	**3,060**

2. OPERATING COSTS

	2014 £'000	2013 £'000
Mining	**18,244**	26,158
Property	**97**	192
Cost of sales	**18,341**	26,350
Administration	**6,565**	7,738
Operating costs	**24,906**	34,088
The direct property costs are:		
Ground rent	**8**	5
Direct property expense	**55**	116
Bad debts	**34**	71
	97	192

Operating costs above include depreciation of £2,682,000 (2013: £2,817,000).

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:

	2014 £'000	2013 £'000
Investment deficit	**(5)**	(47)
Loss on valuation movement in respect of head lease payments	**(1)**	(6)
Loss on revaluation of investment properties	**(6)**	(53)

4. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	2014 £'000	2013 £'000
Staff costs (see note 28)	**5,057**	5,850
Depreciation	**2,682**	2,817
Exchange loss	**143**	880
Fees payable to the company's auditor for the audit of the company's annual accounts	**48**	35
Fees payable to the company's auditor and its associates for other services:		
The audit of the company's subsidiaries pursuant to legislation	**3**	3
Other services	**1**	1

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 28 and 29 under the heading Directors' remuneration which is within the audited part of that report.

6. INTEREST PAYABLE

	2014 £'000	2013 £'000
On bank overdrafts and bank loans	**487**	323
Unwinding of discount	**87**	89
Other interest payable	**19**	34
Interest payable	**593**	446

7. TAXATION

	2014 £'000	2013 £'000
(a) Based on the results for the year:		
Corporation tax	**16**	-
Corporation tax – adjustment in respect of prior year – UK	**20**	
Current tax	**36**	-
Deferred tax – current year	**305**	(213)
Deferred tax – adjustment in respect of prior year	**24**	(49)
Total tax in income statement	**365**	(262)

(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% (2013: 24%)

The differences are explained below:

	2014 £'000	2013 £'000
Profit on ordinary activities before taxation	**1,568**	102
Tax on profit on ordinary activities at 21.5% (2013: 23.5%)	**337**	24
Effects of:		
Expenses not deductible for tax purposes	**45**	6
Adjustment to tax rate	**(2)**	(101)
Other differences	**(59)**	(142)
Adjustment in respect of prior years	**44**	(49)
Total tax	**365**	(262)

7. TAXATION continued

(c) Analysis of United Kingdom and overseas tax

United Kingdom tax included in above:

	2014 £'000	2013 £'000
Corporation tax	-	-
Adjustment in respect of prior years	20	-
Current tax	20	-
Deferred tax	38	(271)
	58	(271)

Overseas tax included in above:

	2014 £'000	2013 £'000
Corporation tax	16	-
Adjustment in respect of prior years	-	-
Current tax	16	-
Deferred tax	291	9
	307	9

8. DIVIDENDS PAID

	2014 Per share	2014 £'000	2013 Per share	2013 £'000
Dividends paid during the year relating to the prior period	4.00p	427	4.00p	425
Dividends to be paid:				
Interim dividend for 2014 paid on 6 February 2015	1.00p	107	1.00p	106
Proposed final dividend for 2014	3.00p	320	3.00p	319
	4.00p	427	4.00p	425

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 2015.

9. PROFIT AND DILUTED PROFIT PER SHARE

Both the basic and diluted profit per share calculations are based on a profit of £1,103,000 (2013: £355,000). The basic profit per share has been calculated on a weighted average of 10,673,506 (2013: 10,596,839) ordinary shares being in issue during the period. The diluted profit per share has been calculated on the weighted average number of shares in issue of 10,673,506 (2013: 10,596,839) plus the dilutive potential ordinary shares arising from share options of 110,975 (2013: 160,982) totalling 10,784,481 (2013: 10,757,821).

10. INVESTMENT PROPERTIES

	Freehold £'000	Long Leasehold £'000	Total £'000
Valuation at 1 January 2014	9,035	2,524	11,559
Additions	22	-	22
Revaluation	(132)	126	(6)
Valuation at 31 December 2014	**8,925**	**2,650**	**11,575**
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**
Historical cost			
At 31 December 2014	**4,823**	**728**	**5,551**
At 31 December 2013	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:

	2014 £'000
Carter Towler	11,575

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.

10. INVESTMENT PROPERTIES continued

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.

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 2014 £'000	Valuation technique	Key unobservable inputs	Range (weighted average) 2014
Freehold – external valuation	8,925	Income capitalisation	Estimated rental value	£7
			Per sq ft p.a	(£7)
			Equivalent Yield	7%
				(7%)
Long leasehold – external valuation	2,650	Income capitalisation	Estimated rental value	£7 – £26
			Per sq ft p.a	(£19)
			Equivalent yield	7.7% – 11.4%
				(9%)
At 31 December 2013	**11,575**			

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	892 / (892)	276/ (260)
Long Leasehold – external valuation	265 / (265)	99 / (92)

11. MINING RESERVES, PLANT AND EQUIPMENT

	Mining reserves £'000	Mining equipment £'000	Motor vehicles £'000	Office equipment £'000	**Total £'000**
Cost at 1 January 2014	1,310	16,328	165	112	**17,915**
Exchange adjustment	(44)	(550)	(4)	(2)	**(600)**
Additions	-	1,838	38	5	**1,881**
Disposals	-	(77)	(30)	-	**(107)**
Cost at 31 December 2014	**1,266**	**17,539**	**169**	**115**	**19,089**
Accumulated depreciation at 1 January 2014	1,184	9,470	77	88	**10,819**
Exchange adjustment	(38)	(329)	(1)	(1)	**(369)**
Charge for the year	3	2,641	31	7	**2,682**
Disposals	-	(77)	(30)	-	**(107)**
Accumulated depreciation at 31 December 2014	**1,149**	**11,705**	**77**	**94**	**13,025**
Net book value at 31 December 2014	**117**	**5,834**	**92**	**21**	**6,064**
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 2013	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 in year	-	-	(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**

12. INVESTMENTS HELD AS NON-CURRENT ASSETS

	2014 Joint ventures assets £'000	2014 Other £'000	2013 Joint ventures assets £'000	2013 Other £'000
At 1 January	3,235	156	3,061	131
Additions	-	-	75	26
Dividends received	(900)	-	-	-
Exchange adjustment	-	-	-	(1)
Share of gain in joint ventures	563	-	99	-
Net assets at 31 December	2,898	156	3,235	156
Loan to joint venture:				
At 1 January	984	-	1,117	-
Exchange adjustments	(36)	-	(242)	-
Additions	92	-	109	-
At 31 December	1,040	-	984	-
At 31 December	3,938	156	4,219	156
Provision for diminution in value:				
At 1 January	-	(5)	-	-
Transfer	-	-	-	(4)
Write back\(down) of investment	-	1	-	(1)
At 31 December	-	(4)	-	(5)
Net book value at 31 December	3,938	152	4,219	151

	2014 £'000	2013 £'000
Net book value of unquoted investments	126	126
Net book and market value of investments listed on overseas stock exchanges	26	25
	152	151

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 (2013: 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 (2013: 100) ordinary shares of ZAR1 each.

	Langney 12.5% £'000	Dragon 50% £'000	Ezimbokodweni 49% £'000	2014 £'000	2013 £'000
Turnover	136	100	-	236	269
Profit and loss					
(Loss)/Profit before tax	563	1	-	564	116
Taxation	-	(1)	-	(1)	(17)
(Loss)/Profit after taxation	563	-	-	563	99
Balance sheet					
Non-current assets	2,461	1,562	1,037	5,060	4,588
Current assets	385	1,347	3	1,735	2,054
Current liabilities	(172)	(1,117)	(1,040)	(2,329)	(1,753)
Non-current liabilities	(1,299)	(952)	-	(2,251)	(2,337)
Share of net assets at 31 December	1,375	840	-	2,215	2,552

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
Bisichi (Properties) Limited	Property	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

	2014 £'000	2013 £'000
Coal		
Washed	**606**	481
Run of mine	**1,070**	754
Work in progress	**45**	487
Other	**39**	34
	1,760	1,756

16. TRADE AND OTHER RECEIVABLES

	2014 £'000	2013 £'000
Amounts falling due within one year:		
Trade receivables	**4,046**	5,658
Amount owed by joint venture	**2,168**	2,232
Other receivables	**419**	511
Prepayments and accrued income	**227**	258
	6,860	8,659

17. AVAILABLE FOR SALE INVESTMENTS

	2014 £'000	2013 £'000
Market value of listed Investments:		
Listed in Great Britain	**758**	778
Listed outside Great Britain	**38**	44
	796	822
Original cost of listed investments	**740**	737
Unrealised surplus of market value over cost	**56**	85

During the year the held for trading investments were redefined as available for sale.

18. TRADE AND OTHER PAYABLES

	2014 £'000	2013 £'000
Trade payables	**1,682**	4,214
Amounts owed to joint ventures	**305**	1,205
Other payables	**1,320**	704
Accruals and deferred income	**1,679**	1,957
	4,986	8,080

19. FINANCIAL LIABILITIES – BORROWINGS

	Current		Non-current	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Bank overdraft (secured)	**2,119**	3,029	**-**	-
Bank loan (secured)	**20**	5,013	**6,013**	118
	2,139	8,042	**6,013**	118

	2014 £'000	2013 £'000
Bank overdraft and loan instalments by reference to the balance sheet date:		
Within one year	**2,139**	8,042
From one to two years	**21**	14
From two to five years	**5,992**	104
	8,152	8,160
Bank overdraft and loan analysis by origin:		
United Kingdom	**5,973**	5,366
Southern Africa	**2,179**	2,794
	8,152	8,160

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 £11,575,000. At year-end an amount of £472,500 was held in a blocked account by Santander UK PLC that relates to the new £6million loan facility. The funds have been blocked in order to satisfy the bank that certain conditions relating to the facility will be fulfilled. Subsequent to year end these conditions have been fulfilled and Santander UK PLC have confirmed that these funds will be released in the near future.

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 £6,264,000.

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 30.7% (2013: 38.8%) which was calculated as follows:

	2014 £'000	2013 £'000
Total debt	**8,152**	8,160
Less cash and cash equivalents	**(2,838)**	(1,707)
Net debt	**5,314**	6,453
Total equity	**17,315**	16,628
Gearing	**30.7%**	38.8%

20. PROVISION FOR REHABILITATION

	2014 £'000	2013 £'000
As at 1 January	**874**	989
Exchange adjustment	**(31)**	(204)
Unwinding of discount	**87**	89
As at 31 December	**930**	874

21. FINANCIAL INSTRUMENTS

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	2014 £'000	2013 £'000
Cash and cash equivalents	2,838	-	-	**2,838**	1,707
Investments held for trading	-	-	796	**796**	822
Other investments	-	-	152	**152**	151
Trade and other receivables	7,673	-	-	**7,673**	9,385
Bank borrowings	-	(8,152)	-	**(8,152)**	(8,160)
Finance leases	-	(195)	-	**(195)**	(196)
Other liabilities	-	(4,836)	-	**(4,836)**	(7,901)
	10,511	(13,183)	948	**(1,724)**	(4,192)

21. FINANCIAL INSTRUMENTS continued

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 2013 fall under the same category of financial instrument as 2014.

Treasury policy

Although no derivative transactions were entered into during the current and prior 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.

As at 31 December 2014, 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 £79,000 (2013: £18,000). The effect on equity of this change would be an equivalent decrease or increase for the year of £79,000 (2013: £18,000).

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:

	2014 £'000	2013 £'000
Within one year	**7,400**	15,956
From one to two years	**223**	38
From two to five years	**6,539**	129
Beyond five years	**134**	134
	14,296	16,257

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

	2014 £'000	2013 £'000
Within one month	**1,587**	10,207
From one to three months	**2,438**	1,998
From four to twelve months	**3,375**	3,751
	7,400	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.

21. FINANCIAL INSTRUMENTS continued

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. During the year Black Wattle breached one of the covenants of the facility related to the accounting net asset value of the company. Due to the improved performance of the company the breach was subsequently rectified and the breach did not affect the ongoing use of the facility, or the ability to renew the facility again at the appropriate times.

In December 2014, the group signed a £6 million term loan facility with Santander. This new loan replaces the previous £5 million term facility and overdraft held with Royal Bank of Scotland. The Loan is secured against the group's UK retail property portfolio. The new debt package has a five year term and is repayable at the end of the term. The interest cost of the loan is 2.35% above LIBOR.

As a result of the completion of the above agreed banking facilities, the Directors believe that the group is well placed to manage its liquidity risk.

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 £10,511,000 (2013: £11,092,000). 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 87% 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 £130,000 (2013: £137,000). To date, the amount of trade receivables held past due date that has not subsequently been settled is £85,000 (2013: £118,000). Management have no reason to believe that this amount will not be settled.

Financial assets maturity

On 31 December 2014, cash at bank and in hand amounted to £2,838,000 (2013: £1,707,000) 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. At year-end an amount of £472,500 was held in a blocked account by Santander UK PLC that relates to the new £6million loan facility. The funds have been blocked in order to satisfy the bank that certain conditions relating to the facility will be fulfilled. Subsequent to year end these conditions have been fulfilled and Santander UK PLC have confirmed that these funds will be released in the near future.

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 2014 and 2013 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:

	2014 £'000	2013 £'000
Sterling	**1,697**	139
South African Rand	**1,138**	1,426
US Dollar	**3**	142
	2,838	1,707

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

21. FINANCIAL INSTRUMENTS continued

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

2014:	**Sterling £'000**	**South African Rands £'000**
Sterling	**(2,515)**	**-**
South African Rand	**153**	**618**
US Dollar	**20**	**-**
	(2,342)	**618**

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

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

	2014 £'000	2013 £'000
Balance at 1 January	**1,902**	2,437
Recognised in income	**344**	(262)
Exchange adjustment	**(38)**	(273)
	2,208	1,902

The deferred tax balance comprises the following:		
Revaluation of properties	**730**	713
Capital allowances	**1,418**	1,183
Short-term differences	**60**	6
	2,208	1,902

23. SHARE CAPITAL

	2014 £'000	2013 £'000
Authorised: 13,000,000 ordinary shares of 10p each	**1,300**	1,300

Allotted and fully paid:

	2014 Number of ordinary shares	2013 Number of ordinary shares	2014 £'000	2013 £'000
At 1 January	**10,636,839**	10,556,839	**1,064**	1,056
Shares issued during the year in regard to employee share options exercised (note 25)	**40,000**	80,000	**4**	8
Outstanding at 31 December	**10,676,839**	10,636,839	**1,068**	1,064

24. OTHER RESERVES

	2014 £'000	2013 £'000
Equity share options	**566**	501
Net premium on share capital in joint venture	**86**	86
	652	587

25. SHARE BASED PAYMENTS

Details of the share option scheme are shown in the Directors' remuneration report on pages 29 and 30 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 2013	Number of share options issued/exercised/ (cancelled) during year	Number of share for which options outstanding at 31 December 2014
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	(40,000)	193,000

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 2010 scheme, agreed by members on 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.

25. SHARE BASED PAYMENTS continued

	2014 Number	2014 Weighted average exercise price	2013 Number	2013 Weighted average exercise price
Outstanding at 1 January	**718,000**	**157.7p**	718,000	157.7p
Cancelled during the year	**(80,000)**	**(149.0p)**	-	-
Exercised during the year	**(40,000)**	**(34.0p)**	-	-
Outstanding at 31 December	**598,000**	**167.1p**	718,000	157.7p
Exercisable at 31 December	**598,000**	**167.1p**	718,000	157.7p

26. NON-CONTROLLING INTEREST

	2014 £'000	2013 £'000
As at 1 January	**359**	444
Share of profit for the year	**100**	9
Dividends received	**(42)**	-
Exchange adjustment	**(13)**	(94)
As at 31 December	**404**	359

The non-controlling interest comprises of a 37.5% shareholding in Black Wattle Colliery (Pty) Ltd. A coal mining company incorporated in South Africa. Summarised financial information reflecting 100% of the underlying subsidiary's relevant figures, is set out below.

	2014 £'000
Revenue	**25,536**
Expenses	**(24,866)**
Profit for the year	**670**
Other comprehensive Income	**-**
Total comprehensive income for the year	**670**
Balance sheet	
Non-current assets	**6,030**
Current assets	**8,054**
Current liabilities	**(9,125)**
Non-current liabilities	**(2,260)**
Net assets at 31 December	**2,699**

26. NON-CONTROLLING INTEREST continued

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))	3	-	138	(135)
Langney Shopping Centre Unit Trust (note (b))	-	(168)	-	64
Dragon Retail Properties Limited (note (c))	305	(2,000)	(174)	(726)
Ezimbokodweni Mining (Pty) Limited (note (d))	-	(1,040)	(92)	-
As at 31 December 2014	**308**	**(3,208)**	**(128)**	**(797)**
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)**	**(181)**

27. RELATED PARTY TRANSACTIONS continued

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 28 and 29 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 £114,000 (2013: 111,000). In 2012 a loan was made to one of the directors, Mr A R Heller, for £116,000. The loan amount outstanding at year end was £101,000 (2013: £116,000) and a repayment of £15,000 (2013: nil) was made during the year.

28. EMPLOYEES

	2014 £'000	2013 £'000
The average weekly numbers of employees of the group during the year were as follows:		
Production	**213**	220
Administration	**18**	20
	231	240

	£'000	£'000
Staff costs during the year were as follows:		
Salaries	**4,676**	5,395
Social security costs	**117**	115
Pension costs	**209**	220
Share based payments	**55**	120
	5,057	5,850

29. CAPITAL COMMITMENTS

	2014 £'000	2013 £'000
Commitments for capital expenditure approved but not contracted for at the year end	**389**	402
Share of commitment of capital expenditure in joint venture	**1,402**	1,451

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	
	2014 £'000	2013 £'000	**2014 £'000**	2013 £'000
Within one year	**12**	12	**12**	12
Second to fifth year	**49**	49	**45**	45
After five years	**1,569**	1,589	**138**	139
	1,630	1,650	**195**	196
Discounting adjustment	**(1,435)**	(1,454)	**-**	-
Present value	**195**	196	**195**	196

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:

	2014 £'000	2013 £'000
Within one year	**746**	859
Second to fifth year	**2,399**	3,195
After five years	**9,868**	9,879
	13,013	13,933

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:

	2014 £'000	2013 £'000
Rail siding	**158**	62
Rehabilitation of mining land	**1,114**	1,153
Water & electricity	**52**	54

Company balance sheet

at 31 December 2014

	Notes	**2014 £'000**	2013 £'000
Fixed assets			
Tangible assets	33	**34**	11,605
Investment in joint ventures	34	**1,810**	1,810
Other investments	34	**7,712**	1,714
Debtors – amounts due in more than one year	35	**1,127**	1,313
		10,683	16,442
Current assets			
Debtors – amounts due within one year	35	**2,981**	3,082
Bank balances		**988**	799
		3,969	3,881
Creditors – amounts falling due within one year	36	**(1,218)**	(7,425)
Net current liabilities		**2,751**	(3,554)
Total assets less current liabilities		**13,434**	12,898
Creditors – amounts falling due in more than one year – medium term bank loan	36	**(64)**	(90)
Provision for liabilities and charges	37	**-**	-
Net assets		**13,370**	12,808
Capital and reserves			
Called up share capital	23	**1,068**	1,064
Share premium account	38	**259**	249
Revaluation reserve	38	**-**	5,632
Other reserves	38	**566**	503
Retained earnings	38	**11,477**	5,360
Shareholders' funds		**13,370**	12,808

The company financial statements were approved and authorised for issue by the board of directors on 27 April 2015 and signed on its behalf by:

A R Heller
Director

G J Casey
Director

Company Registration No. 112155

FINANCIAL STATEMENTS

Company accounting policies

for the year ended 31 December 2014

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.

On the 23rd of December 2014, the investment property portfolio was transferred within the group to Bisichi (Properties) Limited, a 100% owned and controlled subsidiary of the company.

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.

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 29 and 30 under the heading Share option schemes which is within the audited part of this report.

32. DIVIDENDS

The aggregate amount of dividends comprises:

	2014 £'000	2013 £'000
Final dividends in respect of prior year but not recognised as liabilities in that year:	**427**	425

The aggregate amount of dividends to be paid and not recognised as liabilities as at year end is £427,000 (2013: £425,000).

33. TANGIBLE FIXED ASSETS

	Investment properties Freehold £'000	Investment properties Long leasehold £'000	Motor vehicles £'000	Office equipment £'000	**Total £'000**
Cost or valuation at 1 January 2014	9,035	2,524	37	63	**11,659**
Additions	22	-	-	3	**25**
Disposals	(9,057)	(2,524)	-	-	**(11,581)**
Revaluation	-	-	-	-	**-**
Cost or valuation at 31 December 2014	**-**	**-**	**37**	**66**	**103**
At valuation	-	-	-	-	**-**
At cost	-	-	37	66	**103**
	-	**-**	**37**	**66**	**103**
Accumulated depreciation at 1 January 2014	-	-	1	53	**54**
Charge for the year	-	-	13	2	**15**
Disposals	-	-	-	-	**-**
Accumulated depreciation at 31 December 2014	**-**	**-**	**14**	**55**	**69**
Net book value at 31 December 2014	**-**	**-**	**23**	**11**	**34**
Net book value at 31 December 2013	9,035	2,524	36	10	11,605

Details of historical cost of investment properties are shown in note 10. On the 23rd of December 2014, the investment property portfolio was transferred within the group to Bisichi (Properties) Limited, a 100% owned and controlled subsidiary of the company.

34. INVESTMENTS

	Joint ventures shares £'000	Shares £'000	Loans £'000	Other investments £'000	Total £'000
Cost at 1 January 2014	**1,810**	361	1,328	26	**1,715**
Invested during year	**-**	5,995	3	-	**5,998**
Cost at 31 December 2014	**1,810**	**6,356**	**1,331**	**26**	**7,713**
Provision for impairment					
As at 1 January	**-**	-	-	(1)	**(1)**
Transfer	**-**	-	-	-	**-**
As at 31 December 2014	**-**	**-**	**-**	**(1)**	**(1)**
Net book value at 31 December 2014	**1,810**	**6,356**	**1,331**	**25**	**7,712**
Net book value at 31 December 2013	1,810	361	1,328	25	1,714

Other investments comprise £25,000 (2013: £25,000) shares.

Included in the investments in shares during the year is an investment in Bisichi (Properties) Limited, a 100% owned and controlled subsidiary of Bisichi Mining PLC. The investment relates to the transfer of the company's directly owned UK property portfolio from the company to Bisichi (Properties) Limited on the 23rd of December 2014.

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

	2014 £'000	2013 £'000
Amounts due within one year:		
Amounts due from subsidiary undertakings	**360**	295
Trade receivables	**109**	163
Other debtors	**118**	135
Joint venture	**2,168**	2,232
Prepayments and accrued income	**226**	257
	2,981	3,082
Amounts due in more than one year:		
Amounts due from subsidiary undertakings	**1,123**	1,295
Deferred taxation	**4**	18
	1,127	1,313

36. CREDITORS

	2014 £'000	2013 £'000
Amounts falling due within one year:		
Bank overdraft (secured)	**-**	269
Bank loan (secured)	**7**	5,007
Joint venture	**305**	1,205
Current taxation	**23**	2
Other taxation and social security	**89**	95
Other creditors	**444**	323
Accruals and deferred income	**350**	524
	1,218	7,425
Amounts falling due in more than one year:		
Bank loan (secured)	**64**	90

	2014 £'000	2013 £'000
Bank and other loan instalments by reference to the balance sheet date:		
Within one year	**7**	5,007
From one to two years	**7**	7
From two to five years	**57**	83
	71	5,097

37. PROVISIONS FOR LIABILITIES

	2014 £'000	2013 £'000
Deferred taxation		
Balance at 1 January	**-**	40
Provision	**-**	-
Transfer	**-**	(40)
	-	-

No provision has been made for the approximate taxation liability at 21.5% (2013: 23.5%) of £nil (2013: £713,000) which would have arisen 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 2014	1,064	249	5,632	503	5,360	12,808
Dividend paid	-	-	-	-	(427)	(427)
Disposal of investment property	-	-	(5,632)	-	5,632	-
Share options	4	10	-	63	-	77
Retained loss for the year	-	-	-	-	912	6,544
Balance at 31 December 2014	**1,068**	**259**	**-**	**566**	**11,477**	**13,370**

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 profit for the financial year, before dividends, was £912,000 (2013: £110,000)

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 29 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))	(2,316)	(1,009)	1,207
Ninghi Marketing Limited (note (b))	(102)	-	-
As at 31 December 2014	**(2,418)**	**(1,009)**	**1,207**
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)**

(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 (2013: 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. The loan amount outstanding at year end was £101,000 (2013: £116,000) and a repayment of £15,000 (2013: nil) was 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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