Universal Coal Plc

(Registration number 4482856)
Consolidated Unaudited Half Year Financial Statements
for the six months ended 31 December 2017

Corporate directory

Directors	John Hopkins OAM	Non-executive Chairman
	Hendrik Bonsma	Non-executive Director
	Anton Weber	Executive Director and Chief Executive Officer
	Shammy Luvhengo	Executive Director
	David Twist	Non-executive Director
	Carlo Baravalle	Non-executive Director
	Nonkululeko Nyembezi	Non-executive Director
	Andries Engelbrecht	Non-executive Director
Company secretary	Benjamin Harber (United Kingdom) of Shakespeare Martineau LLP	
ASX Liaison and local agent	Emma Lawler (Australia) of Company Matters Proprietary Limited	
United Kingdom registered office	6th Floor 60 Gracechurch Street London EC3V 0HR United Kingdom Telephone: +44 20 7264 4444 Facsimile: +44 20 7264 4440	
Australian registered office	Level 12 680 George Street Sydney, NSW, 2000 Australia Telephone: +61 28 280 7355	
Operational office	467 Fehrsen Street Brooklyn, 0182, Pretoria South Africa Telephone: +27 12 460 0805 Facsimile: +27 12 460 2417	
Auditors	BDO LLP 55 Baker Street London W1U 7EU United Kingdom	
Stock exchange listing	Australian Securities Exchange (Share code: UNV)	
Share registrars	Computershare Investor Services Proprietary Limited Level 2, 45 St. Georges Terrace Perth WA 6000, Australia Telephone: +61 89 323 2000 Computershare Investor Services Plc The Pavilions, Bridgewater Road Bristol BS99 6ZY United Kingdom Telephone: +44 87 070 2003	

Corporate directory

Bankers	HSBC Bank Australia Limited Level 1, 190 St Georges Terrace Perth WA 6000, Australia
	HSBC Bank Plc Coventry DSC, Harry Weston Road Binley West Midlands CV3 2TQ United Kingdom
	Investec Bank Limited 100 Grayston Drive Sandown, Sandton, 2146 South Africa Tel: +27 11 286 7000
	First National Bank 4 First Place, 3rd Floor, Bankcity Johannesburg, 2000 South Africa Tel: +27 11 352 5601
Solicitors	Mayer Brown International LLP 201 Bishopgate London London EC2M EUG United Kingdom
	Webber Wentzel Attorneys 10 Fricker Road Illovo Boulevard Illovo, Johannesburg, 2196 South Africa
Website	www.universalcoal.com
Company registration number	4482856

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The reports and statements set out below comprise the consolidated unaudited half year financial statements presented to the shareholders:

Summary Results

1. Review of financial results and activities

All figures are stated in Australian Dollars	Six months ended 31 Dec 2017 A$'000	Six months ended 31 Dec 2016 A$'000	Movement %
Revenue	136 540	61 067	124
Operating profit / (loss)	20 702	(4 491)	561
Profit / (loss) for the period before taxation	19 184	(2 424)	891
Taxation	(5 051)	675	848
Profit / (loss) for the period	14 133	(1 749)	908
Total comprehensive income / (loss) for the period attributable to equity shareholders	15 431	10 047	54

Explanation of above results

Universal Coal generated a profit after taxation for the period of A$14.133 million (31 December 2016: loss of A$1.7 million). The Company currently has both the Kangala Colliery and the New Clydesdale Colliery (NCC) at full production delivering positive results for the period under review. The loss in the previous period included a loss on the sale of assets of A$9.7 million arising on the sale of underground mining assets. Assets acquired as part of the acquisition became redundant when an underground contract miner was appointed at NCC and supplied new equipment tailored to the underground conditions

The operating profit for the current period of A$20.7 million (31 December 2016:loss of A$4.5 million) presents an increase in profit of 561%. The current period profit has resulted from two well managed operations which are currently on track with the production target and delivering on committed tonnages on their various offtake agreements. The current period has also been positively affected by the increase in the thermal export price, which is reflected in the 124% increase in revenue from the previous period.

After translating foreign operations and accounting for the effects of exchange rate differences, the Company has reflected a total comprehensive income of A$15.4 million for the half-year ended 31 December 2017 (31 December 2016 profit of A$10.0 million). This is after posting a positive effect of translation of foreign operations of A$1.3 million (31 December 2016: profit of A$11.8 million) as a result of a 2% appreciation in the South African Rand, which is the functional currency of the underlying business subsidiaries.

2. Dividends

During the period, the Company paid a total of A$7.4 million in dividends to shareholders. The dividend consisted of A$5.2 million (A$0.01 per share final dividend declared as part of the results release for the financial year ending June 2017) to Universal Coal Plc shareholders and A$2.2 million paid to the equity partner of the Kangala Colliery.

On 28 February 2018, the Company declared a gross interim dividend of A$0.01 per share in respect of the interim period ending 31 December 2017. The dividend is declared in Australian Dollars and will be unfranked for Australian tax purposes. The dividend will have a record date of 8th March 2018 and will be paid on 28 March 2018.

3. Net tangible assets per security

	Six months ended 31 Dec 2017	Six months ended 31 Dec 2016
Net tangible assets per security* (cents per share)	15.86	12.04

* Calculated as total assets, less intangible assets and total liabilities divided by total shares outstanding at the period end.

Summary Results (continued)

4. Earnings result

The total comprehensive income of Universal Coal Plc for the six months ended 31 December 2017 after providing for tax was A$15.4 million (31 December 2016: profit of A$10.0 million).

	Six months ended 31 Dec 2017	Six months ended 31 Dec 2016
Basic and diluted earnings per share (cents per share)	2.05	0.14
Weighted average number of ordinary shares used in the calculation of basic and diluted EPS	522 471 758	515 694 759

The amount used as the numerator in calculating basic earnings per share (EPS) is the same as the profit attributable to the owners of the parent in the consolidated statement of profit or loss and other comprehensive income.

5. Changes in group entities

There has been no change in control of change for any entities currently included in the Universal Group structure during the period under review.

6. Date of authorisation for issue of financial statements

The interim financial statements of the group are prepared in accordance with International Financial Reporting Standards (IFRSs).

The consolidated unaudited half year financial statements have been authorised for issue by the directors on 28 February 2018. No authority was given to anyone to amend the consolidated unaudited half year financial statements after the date of issue.

ON BEHALF OF THE BOARD:

MR JOHN HOPKINS
Non-executive Chairman
28 February 2018

Directors' Report

1. Results

The period ending 31 December 2017 has been a game changer for the Universal Coal group with two operating Collieries delivering positive cash flows, the acquisition of the majority stake in the Eloff Mining Company (Pty) Ltd (Eloff Project) and execution of our first dividend payment in December 2017.

The ultimate objective of becoming a mid-tier, multi-mine coal producer remains unchanged and, with a strong balance sheet, the Company has the ability to develop its current project pipeline yet remain committed to its dividend distribution policy. The Company has an appetite for growth by acquisition of feasible projects that fit into the Universal Coal project model as well as the development of resources already under its control. With improved market conditions, the coal environment is currently an exciting playing field with numerous opportunities to create shareholder wealth.

Our next organic development milestone will be to begin the development of our Brakfontein project, which has already received all its regulatory approvals. Following settlement of the surface rights and confirmation of feasible offtake agreements, the development can commence. The Brakfontein project is well placed to boost Group production by approximately 1.2Mtpa (million tonnes per annum) of saleable product.

The Company has projected to deliver approximately 4.6Mtpa of saleable product to market for the 12 months ending June 2018 and is well on track to meet this target.

Universal Coal generated a profit after taxation for the period of A$14.133 million (31 December 2016: loss of A$1.7 million). The Company currently has both the Kangala Colliery and the NCC at full production delivering positive results for the period under review. The loss in the previous period included a loss on the sale of assets of A$9.7 million arising on the sale of underground mining assets. Assets acquired as part of the acquisition became redundant when an underground contract miner was appointed at NCC and supplied new equipment tailored to the underground conditions.

The operating profit for the current period of A$20.7 million (31 December 2016: loss of A$4.5 million) presents an increase in profit of 561%. The current period profit has resulted from two well managed operations which are currently on track with the production target and delivering on committed tonnages on their various offtake agreements. The current period has also been positively affected by the increase in the thermal export price, which is reflected in the 124% increase in revenue from the previous period.

Finance income decreased to A$1.8 million in the six months to 31 December 2017 from the A$5.2 million in the previous period, and the corresponding finance expense decreased from A$4.3 million at December 2016 to A$3.5 million in the current period. The previous period interest income and expense included significant movement relating to unwinding of rehabilitation provisions, resulting in a charge of A$2.5 million and change in estimates in relation to the acquired NCC rehabilitation provision, resulting in a credit of A$3.2 million. Further details of these provisions are given in note 13 to these financial statements. The interest expense for the current period relating to the Investec facility increased significantly due to the fact that NCC has drawn down a large portion of its available funding since the December 2016 period.

After translating foreign operations and accounting for the effects of exchange rate differences, the Company has reflected a comprehensive profit of A$15.4 million for the half-year ended 31 December 2017 (31 December 2016 profit of A$10.0 million). This is after posting a positive effect of translation of foreign operations of A$1.3 million (31 December 2016: profit of A$11.8 million) as a result of a 2% appreciation in the South African Rand, which is the functional currency of the underlying business subsidiaries.

Net debt([1]) at 31 December 2017 has reduced by 54% to A$6.7 million from A$14.7 million in the prior period. NCC has utilised a total of A$5.2 million of its Investec Facility during the period under review compared to the A$4.4 million repaid by Kangala Colliery. A total of A$1 million was also paid towards the settlement of the outstanding Converting Notes. NCC received project completion from Investec in December 2017, which reduced the banking restriction on the distribution of funds to the NCC shareholders but also triggers the repayments of the Investec Facility. NCC will begin repayment of this facility from April 2018. The reduction in the net debt position is largely due to the increase in the cash balance at December 2017 (increased from A$6.4 million in December 2016 to A$19.2 million in December 2017).

During the December 2017 period, the Company executed its cash distribution commitment to shareholders and paid its maiden dividend of A$0.01 per ordinary share in December 2017. The Company remains committed to its dividend policy by declaring an interim dividend of A$0.01 to shareholders on 28 February 2018, payable at the end of March 2018.

The Company is focused on effective management of the current operations to ensure the operational cost remains in budget while committed production volumes are maintained. The Company has proven its ability to successfully execute its development projects and will continue with the same business model during the development of Brakfontein.

Directors' Report

2. Review of operations

Coal assets

The Company's coal assets are all located in South Africa, primarily in the Witbank coalfields of the Mpumalanga province.

The Kangala Colliery and the NCC are both operating at nameplate production, delivering strong production results with positive cash flow. Brakfontein is a fully regulated project, which will begin development as soon as the surface rights have been finalised and feasible offtake agreements have been negotiated. Outside of the Witbank area, we also hold the Berenice-Cygnus coking coal project, located within the Limpopo province.

The Group also owns 29% of the Eloff Mining Company, and has acquired (subject to the granting of S11 by the Department of Mineral Resources) an additional 51% of the project during the period under review.The Eloff Project is located adjacent to the Kangala Colliery and will constitute the extension of the Kangala resource and life of mine. The increase in shareholding will only be accounted for once the S11 has been granted by the DMR, and therefore the results of this transaction are not reflected in these interim financial statements.

Sales

For the period ending December 2017, the Company has delivered a total of 2.3Mtpa of product to market, which constitutes an 87% increase since the December 2016 period. This is due to NCC now operating at full capacity and contributing to domestic and export tonnes during the period under review.

Domestic product sales were 1 969 218 tonnes (31 December 2016: 1 145 897 tonnes), 72% above the corresponding period last year. Export sales were 377 544 tonnes for the period (31 December 2016: 107 080 tonnes). Production and sales of export quality coal were 253% higher due to incremental production from NCC.

The operational performance of the Universal Coal Group is tabulated below:

Operational Perfomance (tonnes)	Total Year To Date 31-Dec-17	% Change	Total Year To Date 31-Dec-16	Total from Start Of Production
Run-of-mine (ROM)				
Kangala Colliery	2 016 221	2 %	1 971 655	12 051 746
New Clydesdale Colliery	1 748 129	393 %	354 463	2 512 021
Total ROM	**3 764 350**	**62 %**	**2 326 118**	**8 700 946**
Feed to plant				
Kangala Colliery	1 906 937	3 %	1 853 887	5 579 790
New Clydesdale Colliery	1 542 976	290 %	396 049	3 224 327
Total feed to plant	**3 449 913**	**53 %**	**2 249 936**	**8 804 117**
Domestic sales	1 969 218	72 %	1 145 897	4 565 663
Export sales	377 544	253 %	107 080	783 949
Total sales	**2 346 762**	**87 %**	**1 252 977**	**5 349 612**

Group revenue for the period was up 124%, resulting in an increase from an operating loss of A$4.5 million in December 2016 to an operating profit of A$20.7 million and a positive Group earnings before interest, taxation, depreciation and amortisation (EBITDA) of A$29.6 million (December 2016: A$11.3 million).

Cost of sales for the period increased by 111%, which is expected as the production of run-of-mine (ROM) tonnes for the period also increased by 62%. The remainder of the increase in cost of sales is due to the increase in depreciation, since the mine has ceased capitalisation of its development costs, and greater exposure to the underground mining cost. The NCC will also incur greater charges in the first few months due to a higher strip ratio at the beginning of the project.

Directors' Report

Thermal coal operating assets

Kangala Colliery

For the period under review, the Kangala Colliery produced 2 016 221 ROM tonnes and fed 1 906 937 tonnes to the coal handling and preparation plant (CHPP). This resulted in sales of 1 338 291 product tonnes being supplied domestically to Eskom. The Kangala Colliery is predominantly a domestic thermal coal operation supplying coal to Eskom, the major energy provider in South Africa.

The Kangala Colliery operates at 3.7Mtpa ROM with an Eskom offtake agreement secured until 2023. The colliery is committed to supplying 2.4Mtpa of domestic thermal coal to Eskom. The Kangala Colliery is adjacent to the Eloff Project, which is a significant resource base and will secure the colliery with the potential to double production and an extended life of mine.

NCC

NCC is located centrally on the southern margin of the Witbank coalfield, 30km south of Middelburg and 70km east of Universal Coal's Kangala Colliery. It consists of an underground and opencast section, which are both currently in production.

NCC increased its ROM production by 393% compared to the period ending December 2016. It is now producing at nameplate production of 3.3Mtpa annualised ROM. The ROM of 1 748 129 for the period resulted in the beneficiation of 1 542 976 tonnes.

Thermal Coal Exploration Assets

Brakfontein

The Brakfontein project is located in the Delmas district, less than 20km from the Kangala Colliery. Brakfontein is fully regulated with a Mining Right, integrated water use licence and environmental authorisation granted in terms of the National Environmental Management Act 107 of 1998. The Brakfontein project is currently in negotiations for potential offtake agreements. Once a favourable contract has been secured, this will be the short-term development focus of the Company.

Arnot South

In September 2016, the Company announced a binding sale of the prospecting right agreement with Exxaro to acquire the Arnot South Project, located near NCC in the Witbank coalfield. The prospect spans some 15 212 hectares and has been subject to several drilling campaigns by major mining companies, including Goldfields and Exxaro. We await regulatory approvals and satisfaction of the conditions precedent to the acquisition agreement prior to assuming ownership.

Coking Coal Assets

Berenice-Cygnus

The Berenice and Cygnus projects remain significant metallurgical coal assets, located in the Soutpansberg coalfield of the Limpopo province of South Africa. The Berenice-Cygnus resource is in excess of 1.35 billion tonnes. A mining right application for the Berenice project was submitted to the authorities in December 2015 and an environmental impact assessment has been commissioned. Subject to securing a funding partner, the project will enter pre-feasibility phase and await a decision on the granting of a mining licence.

Local economic development and sustainability initiatives

As a Company, Universal believes that the benefits from our operations and projects should also flow through to local communities.

Directors' Report

Human Resource Development

- **Operator training**: The Company's training programme has trained 200 local residents as competent operators of articulated dump trucks (ADTs) and excavators, and appointment of 100 operators as ADT operators for NCC and Kangala Colliery.
- **Study assistance**: A total of eight comprehensive bursaries have been awarded to community students to further their studies in engineering and accounting, and as artisans at a higher education institution. Six employees have been offered financial assistance to pursue management courses.
- **Educational support**: The Company is engaged in a study camp, hosted by the Department of Education, providing study material to Grade 12 learners. A total of 46 learners participated in the study camp during the school holidays and more than 35 passed matric.
- **Internship and learnerships**: The internship programme accepted 39 geology, metallurgy, mechanical engineering and environmental studies graduates last year.
- **Adult education and training**: As a conceptual foundation towards lifelong learning and skills development, adult education and training is provided to illiterate and unskilled community members.

Local Economic Development Project

The Company is delighted to be able to hand over a technical vocational education and training (TVET) college to the national Department of Education in the period ending December 2017. The college opened for registration in 2018. The Company also extended two local schools by building additional classes, a boardroom and offices. Intervention by Universal Coal enabled the introduction of a pre-primary class, which plays an important role in early childhood development, at one of the local schools.

3. Corporate

In December 2017, the Company acquired 100% of the shares and claims in Manyeka Coal Mines (Pty) Ltd ("Manyeka"), which owns 51% of the Eloff Project. The acquisition of Manyeka, a company incorporated in South Africa, has been concluded by Universal Coal Development IV (Pty) Ltd ("UCDIV"), which is owned by Universal (49%) and Ndalamo Resources (Pty) Ltd (51%). UCDIV already owns a 29% stake in the Eloff Project, which was acquired for cash in June 2017, bringing UCDIV's total shareholding in the Eloff Project to 80% (subject to the granting of S11 by the Department of Mineral Resources).

Manyeka was purchased from Exxaro Coal Central (Pty) Ltd and is subject to conditions precedent typical of a transaction of this nature, including ministerial approval in terms of Section 11 of the Mineral and Petroleum Resources Development Act 28 of 2002.

It is the intention of the Company to acquire the remaining 20% of the project. It is currently engaged with the owner to potentially sell the remaining stake to the Company.

Tony Weber
Chief Executive Officer
28 February 2018

([1]) Net debt is the total of long-term and short-term borrowings, converting notes and financial derivative liability, less current cash on hand and less loan receivable.

Directors' Declaration

In the opinion of the Directors:

a. The financial statements and notes set out on pages 11 - 37:

(i) Comply with IAS 34: Interim Financial Reporting; and

(ii) Give a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half year ended on that date.

b. There are reasonable grounds to believe that Universal Coal Plc will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.

ON BEHALF OF THE BOARD

MR JOHN HOPKINS OAM
CHAIRMAN

28 February 2018

Universal Coal Plc

(Registration number 4482856)

Condensed Consolidated Statement of Financial Position as at 31 December 2017

	Note	Reviewed 31 December 2017 A$ '000	Audited 30 June 2017 A$ '000	Reviewed 31 December 2016 A$ '000
Assets				
Non-Current Assets				
Property, plant and equipment	3	115 998	115 149	103 580
Intangible assets	4	48 003	45 803	54 910
Investments in associates	5	8 842	8 340	17
Loan receivable	6	9 907	8 378	8 623
Other financial assets		1 380	1 293	-
		184 130	**178 963**	**167 130**
Current Assets				
Inventories	7	7 612	5 157	6 311
Trade and other receivables	8	22 583	21 353	13 590
Cash and cash equivalents	9	19 156	15 185	6 427
		49 351	**41 695**	**26 328**
Total Assets		**233 481**	**220 658**	**193 458**
Equity and Liabilities				
Equity				
Equity Attributable to Equity Holders of Parent				
Share capital	10	44 466	44 466	44 466
Share premium	10	-	-	53 592
Other reserves		(4 542)	(5 570)	(3 442)
Retained income		55 245	49 758	(9 963)
Attributable to Equity Holders of Parent		**95 169**	**88 654**	**84 653**
Non-controlling interest		35 701	34 249	33 140
Total Equity		**130 870**	**122 903**	**117 793**
Liabilities				
Non-Current Liabilities				
Borrowings	12	24 480	25 068	17 876
Converting notes		550	1 476	3 273
Derivative financial liability		130	277	507
Deferred tax		7 528	10 124	9 401
Provisions	13	34 860	32 341	27 431
		67 548	**69 286**	**58 488**
Current Liabilities				
Borrowings	12	10 571	6 539	5 781
Trade and other payables	14	24 492	21 930	11 396
		35 063	**28 469**	**17 177**
Total Liabilities		**102 611**	**97 755**	**75 665**
Total Equity and Liabilities		**233 481**	**220 658**	**193 458**

The notes on pages 15 to 37 form part of the consolidated unaudited half year financial statements.

Universal Coal Plc
(Registration number 4482856)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six months ended 31 December 2017

	Note	Reviewed half year to 31 December 2017 A$ '000	Reviewed half year to 31 December 2016 A$ '000
Revenue		136 540	61 067
Cost of sales		(104 032)	(49 345)
Gross profit		**32 508**	**11 722**
Operating expenses		(11 806)	(6 486)
Operating profit before loss on sale of fixed assets		**20 702**	**5 236**
Loss on sale of fixed assets	15	-	(9 727)
Operating profit/(loss)		**20 702**	**(4 491)**
Finance income	16	1 808	5 246
Finance expenses	17	(3 515)	(4 322)
Share of operating profit of associated undertakings		102	-
Derivative financial liability		147	1 151
Foreign exchange loss		(60)	(8)
Profit/(loss) before taxation		**19 184**	**(2 424)**
Taxation	18	(5 051)	675
Profit/(loss) for the period		**14 133**	**(1 749)**
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		1 298	11 796
Other comprehensive income for the period net of taxation		**1 298**	**11 796**
Total comprehensive income for the period		**15 431**	**10 047**
Profit/(loss) attributable to:			
Owners of the parent		10 712	715
Non-controlling interest		3 421	(2 464)
		14 133	**(1 749)**
Total comprehensive income attributable to:			
Owners of the parent		11 740	9 443
Non-controlling interest		3 691	604
		15 431	**10 047**
Earnings per share			
Per share information			
Basic earnings per share (c)	23	2.05	0.14
Diluted earnings per share (c)	23	2.05	0.14

The notes on pages 15 to 37 form part of the consolidated unaudited half year financial statements.

Universal Coal Plc
(Registration number 4482856)

Condensed Consolidated Statement of Cash Flows for the six months ended 31 December 2017

	Note	Reviewed half year to 31 December 2017 A$ '000	Reviewed half year to 31 December 2016 A$ '000
Cash flows from operating activities			
Cash generated from operations	19	22 589	8 482
Tax paid		(2 895)	-
Net cash generated from operating activities		**19 694**	**8 482**
Cash flows from investing activities			
Acquisition of property, plant and equipment	3	(6 420)	(5 408)
Acquisition of other intangible assets	4	(753)	(210)
Loans to related parties		-	342
Investment in associated undertakings		(119)	(11)
Purchase of other financial assets		(43)	-
Transfer to restricted cash		(893)	(189)
Finance income		500	169
Net cash used in investing activities		**(7 728)**	**(5 307)**
Cash flows used in financing activities			
Cash settlement of convertible notes		(1 050)	-
Shareholder loan repayment		-	(330)
Proceeds from finance facilities		5 169	-
Repayment of finance facilities		(5 372)	(3 997)
Dividends paid		(7 464)	-
Finance costs		(688)	(276)
Net cash used in financing activities		**(9 405)**	**(4 603)**
Total cash movement for the six months		**2 561**	**(1 428)**
Unrestricted cash at the beginning of the period		14 461	7 048
Effect of exchange rate movement on cash balances		517	92
Total cash and cash equivalents	9	**17 539**	**5 712**
Restricted cash	9	1 617	715
Total cash and cash equivalents (including restricted cash)	9	**19 156**	**6 427**

The notes on pages 15 to 37 form an part of the consolidated unaudited half year financial statements.

Universal Coal Plc

(Registration number 4482856)

Condensed Consolidated Statement of Changes in Equity for the six months ended 31 December 2017

	Share capital A$ '000	Share premium A$ '000	Total share capital A$ '000	Foreign currency translation reserve A$ '000	Convertible instrument reserve A$ '000	Share based payment reserve A$ '000	Total reserves A$ '000	Retained income A$ '000	Total attributable to equity holders of the group A$ '000	Non-controlling interest A$ '000	Total equity A$ '000
Balance at 1 July 2016	**43 374**	**52 941**	**96 315**	**(16 096)**	**2 053**	**1 873**	**(12 170)**	**(10 678)**	**73 467**	**32 536**	**106 003**
Loss for the six months	-	-	-	-	-	-	-	715	715	(2 464)	(1 749)
Other comprehensive income	-	-	-	8 728	-	-	8 728	-	8 728	3 068	11 796
Total comprehensive income for the six months	**-**	**-**	**-**	**8 728**	**-**	**-**	**8 728**	**715**	**9 443**	**604**	**10 047**
Transactions with owners											
Conversion of loan notes	1 092	651	1 743	-	-	-	-	-	1 743	-	1 743
Other movements within equity	**1 092**	**651**	**1 743**	**-**	**-**	**-**	**-**	**-**	**1 743**	**-**	**1 743**
Unaudited balance at 31 December 2016	**44 466**	**53 592**	**98 058**	**(7 368)**	**2 053**	**1 873**	**(3 442)**	**(9 963)**	**84 653**	**33 140**	**117 793**
Balance at 1 July 2017	**44 466**	**-**	**44 466**	**(7 753)**	**2 053**	**130**	**(5 570)**	**49 758**	**88 654**	**34 249**	**122 903**
Profit for the six months	-	-	-	-	-	-	-	10 712	10 712	3 421	14 133
Other comprehensive income	-	-	-	1 028	-	-	1 028	-	1 028	270	1 298
Total comprehensive income for the six months	**-**	**-**	**-**	**1 028**	**-**	**-**	**1 028**	**10 712**	**11 740**	**3 691**	**15 431**
Dividends	-	-	-	-	-	-	-	(5 225)	(5 225)	(2 239)	(7 464)
Other movements within equity	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(5 225)**	**(5 225)**	**(2 239)**	**(7 464)**
Unaudited balance at 31 December 2017	**44 466**	**-**	**44 466**	**(6 725)**	**2 053**	**130**	**(4 542)**	**55 245**	**95 169**	**35 701**	**130 870**
Note	10	10	10			11					

The notes on pages 15 to 37 form part of the financial statements

1. Significant accounting policies

General Information

The Company is domiciled in the UK. The address of the registered office is 60 Gracechurch Street, London, EC3V 0HR. The registered number of the company is 4482856.

Presentation of the Consolidated Unaudited Half Year Financial Statements

The consolidated unaudited half year financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and the presentation and disclosure requirements of IAS 34: Interim Financial Reporting. This condensed consolidated half year financial report does not include all notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements by Universal Coal Plc. The financial statements have been prepared on the historical cost basis, except for those items held at fair value and incorporate the principal accounting policies set out below.

The accounting policies and methods of computation applied in these condensed consolidated half year financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 30 June 2017.

Basis of preparation

The financial statements have been prepared on the going concern basis. At the period-end the Group had A$17.5 million (31 December 2016: A$5.7 million) of unrestricted cash reserves. The Group's cash flow projections show that in order for the Group to meet its known commitments, debt repayment schedules and operating cash flow requirements, the Group is reliant on the Kangala Colliery and the NCC continuing to operate in line with forecasts. There is no evidence to suggest that the forecast at Kangala or NCC will not occur and the Directors are confident that the Group will continue to meet its obligations under the Eskom offtake and export agreements. The Directors are therefore satisfied that the half year financial statements should be prepared on a going concern basis.

The condensed half year financial information for the period 1 July 2017 to 31 December 2017 is unaudited. In the opinion of the Directors, the condensed half year financial information for the period presents the financial position, result from operations, changes in equity and cash flows for the period in conformity to IAS 34 'Interim Financial Reporting' consistently applied. The condensed half year financial information incorporates comparative figures for the periods to 30 June 2017 and 31 December 2016 for the consolidated statement of financial position, the half year period from 1 July 2016 to 31 December 2016 for the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of cash flows and the half year period from 1 July 2016 to 31 December 2016 for the consolidated statement of changes in equity. The financial information for the year ended 30 June 2017 contained in this half year report does not constitute statutory accounts as defined by section 435 of the Companies Act, 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors’ report on those accounts was unqualified and did not contain a statement under section 498(2) or (3) of the Companies Act, 2006.

1. Significant accounting policies (continued)

Functional and presentation currency

Items included in the consolidated half year financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The functional currency of the South African business operations is South African Rand (ZAR).

The Parent company's functional currency is Australian Dollar (“A$”). The consolidated half year financial statements are presented in Australian Dollar (“A$”), which is the Group’s presentation currency. Further details are provided on the foreign currency accounting policy in the year ended 30 June 2017 Financial Statements.

Judgements made in applying accounting policies and key sources of estimation uncertainty

No material changes have been made to the estimates and judgements applied since the year ended 30 June 2017 Financial Statements.

1.1 New Standards and Interpretations

Management has considered the impact of new IFRS standards on revenue recognition (IFRS 15), financial instruments (IFRS9) and leases (IFRS 16) on its reporting and accounting duties. As these new standards only take effect on reporting periods on or after 1 January 2018 (IFRS 9 and 15) and 1 January 2019 (IFRS 16), there is no impact on the current interim financial statements. However management will continue to assess the impact of these standards as the financial year draws to an end, with particular focus on IFRS 15.

Considering the current structure and business arrangements of the group the impact of IFRS 9 and 16 is considered to be negligible.

The main principle of IFRS 15 is to recognise revenue when / as performance obligations per agreements with customers are satisfied. Management is of the opinion that its current agreements with customers are relatively straight forward and simplistic. To date the group has not experienced material delays in fulfilling its performance obligations and thus management considers the impact of IFRS on revenue recognition to be immaterial.

Notes to the Condensed Consolidated Financial Statements for the six months ended 31 December 2017 (continued)

2. Segmental reporting

All investments in associates and subsidiaries operate in one geographical location being South Africa, and are organised into four business units from which the Group's expenses are incurred and revenues are earned, being (1) mining and sale of coal: New Clydesdale Colliery; (2) mining and sale of coal: Kangala Colliery; (3) exploration and development of coal and (4) corporate activities. The reporting on these investments to the Chief Operating Decision Makers, the Board of Directors, focuses on the key performance indicators that the Directors monitor on a regular basis which are:

- Run-of-Mine (ROM) tonnages, processing plant yields and sales tonnages
- Revenue per tonne
- Cash cost per run-of-mine tonne (ROMt)
- Gross margin in percentage and gross margin per sales tonne
- Management of liquid resources through regular analysis of working capital requirements, bank balances, stay in business capital requirements, cash flow forecasts, accounts receivable and accounts payable ageing metrics.

The non-current assets relating to the capitalisation expenditure associated with the coal projects are located in South Africa. All corporate expenditure, assets and liabilities relate to incidental operations carried out in the United Kingdom, Australia and South Africa.

For the half year to 31 December 2017	Mining and sale of coal: New Clydesdale Colliery	Mining and sale of coal: Kangala Colliery	Exploration and development of coal	Corporate (Unallocated)	Total
	A$'000	A$'000	A$'000	A$'000	A$'000
Revenue	64 344	72 196	-	-	136 540
Cost of sales	(52 077)	(51 955)	-	-	(104 032)
Cost of sales - depreciation	(2 855)	(6 089)	-	-	(8 944)
Cost of sales excluding depreciation	(49 222)	(45 866)	-	-	(95 088)
Gross profit	12 267	20 241	-	-	32 508
Operating expenses	(5 305)	(4 215)	(133)	(2 153)	(11 806)
Share of profit of associated undertakings	102	-	-	-	102
Foreign exchange gain	-	-	-	(60)	(60)
Net finance cost	(2 064)	(779)	-	1 136	(1 707)
Derivative financial liability	-	-	-	147	147
Profit/(loss) before taxation	5 000	15 247	(133)	(930)	19 184
Taxation	(431)	(4 606)	-	(14)	(5 051)
Profit/(loss) after taxation	4 569	10 641	(133)	(944)	14 133
Total non-current assets	70 377	37 482	47 832	28 439	184 130
Total capital expenditure	3 418	2 154	753	-	6 325
Total assets	91 328	62 413	47 844	31 896	233 481
Total liabilities	(62 431)	(38 530)	(767)	(883)	(102 611)

2. Segmental reporting (continued)

For the half year to 31 December 2016	Mining and sale of coal: New Clydesdale Colliery	Mining and sale of coal: Kangala Colliery	Exploration and development of coal	Corporate (Unallocated)	Total
	A$'000	A$'000	A$'000	A$'000	A$'000
Revenue	4 824	56 243	-	-	61 067
Cost of sales	(3 905)	(45 440)	-	-	(49 345)
Cost of sales - depreciation	(369)	(5 579)	-	-	(5 948)
Cost of sales excluding depreciation	(3 536)	(39 861)	-	-	(43 397)
Gross profit	919	10 803	-	-	11 722
Operating expenses (excluding share based payments)	(281)	(3 053)	(639)	(2 513)	(6 486)
Loss on sale of fixed assets	(9 727)	-	-	-	(9 727)
Foreign exchange loss	-	-	-	(8)	(8)
Net finance cost	1 124	(1 778)	-	1 578	924
Derivative financial liability	-	-	-	1 151	1 151
(Loss) / profit before taxation	(7 965)	5 972	(639)	208	(2 424)
Taxation	2 161	(1 486)	-	-	675
(Loss) / profit after taxation	(5 804)	4 486	(639)	208	(1 749)
Total non-current assets	52 014	45 270	61 119	8 727	167 130
Total capital expenditure	4 650	753	210	5	5 618
Total assets	56 166	64 177	61 211	11 904	193 458
Total liabilities	(30 327)	(40 947)	(367)	(4 024)	(75 665)

Notes to the Condensed Consolidated Financial Statements for the six months ended 31 December 2017 (continued)

3. Property, plant and equipment

	31 December 2017			30 June 2017		
	Cost A$'000	Accumulated depreciation A$'000	Carrying value A$'000	Cost A$'000	Accumulated depreciation A$'000	Carrying value A$'000
Mineral properties	40 456	(7 793)	32 663	39 123	(5 925)	33 198
Mine development costs	47 908	(16 653)	31 255	41 120	(12 676)	28 444
Mine plant facilities and equipment	50 731	(10 281)	40 450	48 808	(6 897)	41 911
Other assets	5 976	(593)	5 383	5 371	(376)	4 995
Deferred stripping costs	9 267	(3 020)	6 247	8 965	(2 364)	6 601
Total	**154 338**	**(38 340)**	**115 998**	**143 387**	**(28 238)**	**115 149**

Reconciliation of property, plant and equipment - Group - 31 December 2017

	Opening balance A$'000	Additions A$'000	Transfers A$'000	Foreign exchange movements A$'000	Depreciation A$'000	Total A$'000
Mineral properties	33 198	(4)	-	1 136	(1 667)	32 663
Mine development costs	28 444	1 077	4 324	960	(3 550)	31 255
Mine plant facilities and equipment	41 911	599	-	1 091	(3 151)	40 450
Other assets	4 995	4 748	(4 324)	168	(204)	5 383
Deferred stripping costs	6 601	-	-	223	(577)	6 247
	115 149	**6 420**	**-**	**3 578**	**(9 149)**	**115 998**

Reconciliation of property, plant and equipment - Group - 30 June 2017

	Opening balance A$'000	Additions A$'000	Disposals A$'000	Transfers A$'000	Foreign exchange movements A$'000	Depreciation A$'000	Total A$'000
Mineral properties	21 029	4 652	(1 165)	9 128	2 366	(2 812)	33 198
Mine development costs	24 447	966	-	5 746	3 072	(5 787)	28 444
Mine plant facilities and equipment	46 170	138	(11 930)	6 362	4 842	(3 671)	41 911
Other assets	5 755	10 954	(36)	(12 108)	588	(158)	4 995
Deferred stripping costs	7 332	-	-	-	798	(1 529)	6 601
	104 733	**16 710**	**(13 131)**	**9 128**	**11 666**	**(13 957)**	**115 149**

* The disposals during the period relate to underground mining assets sold from NCC. An underground contract miner was appointed at NCC and has supplied new equipment tailored to the current underground conditions.

4. Intangible assets

	Project	31 December 2017 Cost A$'000	31 December 2017 Accumulated amortisation A$'000	31 December 2017 Carrying value A$'000	30 June 2017 Cost A$'000	30 June 2017 Accumulated amortisation and impairment A$'000	30 June 2017 Carrying value A$'000
Mining and Prospecting Rights (held by:)							
Universal Coal Development I (Pty) Ltd	Kangala	1 054	-	1 054	909	-	909
Universal Coal Development II (Pty) Ltd	Berenice	32 454	-	32 454	33 492	(2 634)	30 858
Universal Coal Development III (Pty) Ltd	Brakfontein	10 514	-	10 514	10 170	-	10 170
Universal Coal Development IV (Pty) Ltd	Roodekop	-	-	-	-	-	-
Universal Coal Development V (Pty) Ltd	Cygnus	3 809	-	3 809	3 671	-	3 671
Other Intangible Assets							
Computer software		667	(495)	172	590	(395)	195
Total		**48 498**	**(495)**	**48 003**	**48 832**	**(3 029)**	**45 803**

Reconciliation of intangible assets - 31 December 2017

	Project	Opening balance A$'000	Additions A$'000	Foreign exchange movements A$'000	Amortisation and impairment A$'000	Total A$'000
Universal Coal Development I (Pty) Ltd	Kangala	909	114	31	-	1 054
Universal Coal Development II (Pty) Ltd	Berenice	30 858	568	1 028	-	32 454
Universal Coal Development III (Pty) Ltd	Brakfontein	10 170	1	343	-	10 514
Universal Coal Development IV (Pty) Ltd	Roodekop	-	-	-	-	-
Universal Coal Development V (Pty) Ltd	Cygnus	3 671	14	124	-	3 809
Computer software		195	56	7	(86)	172
		45 803	**753**	**1 533**	**(86)**	**48 003**

4. Intangible assets (continued)

Reconciliation of intangible assets - 30 June 2017

	Project	Opening balance A$'000	Additions A$'000	Foreign exchange movements A$'000	Amortisation and impairment A$'000	Transfers to property, plant and equipment	Total A$'000
Universal Coal Development I (Pty) Ltd	Kangala	828	-	81	-	-	909
Universal Coal Development II (Pty) Ltd	Berenice	27 703	440	2 715	-	-	30 858
Universal Coal Development III (Pty) Ltd	Brakfontein	9 250	14	906	-	-	10 170
Universal Coal Development IV (Pty) Ltd	Roodekop	8 159	169	800	-	(9 128)	-
Universal Coal Development V (Pty) Ltd	Cygnus	3 344	-	327	-	-	3 671
Computer software		78	150	7	(40)	-	195
		49 362	**773**	**4 836**	**(40)**	**(9 128)**	**45 803**

Supplementary information on intangible assets

The following detailed schedule provides additional information pertaining specifically to the interests held by Universal Coal Plc in the identifiable Mining Rights (MR) and Prospecting Rights (PR) as at 31 December 2017:

Project	Entity	Location	Property	Size (hectare)	Permit type & Number	Expiry date	Comment	% Interest
Kangala	Universal Coal Development I (Pty) Ltd *	Delmas, Mpumalanga Province, South Africa	Wolvenfontein 244IR: Portion 1 and RE of Portion 2	951	Mining right: MP30/5/1/2/2/429MR	02/05/2032	-	70.50 %
Kangala	Universal Coal Development I (Pty) Ltd *	Delmas, Mpumalanga Province, South Africa	Middelbult 235IR: Portions 40 and 82	942	Prospecting Right: MP30/5/1/1/2/6 41PR	09/07/2017	The renewal of the prospecting right was granted in July 2014. Mining right in application	70.50 %
Berenice	Universal Coal Development II (Pty) Ltd	Waterpoort, Limpopo Province, South Africa	Berenice 548 MS; Celine 547 MS; Doornvaart 355 MS; Portion 1 Gezelschap 395 MS; Longford 354 MS; Matsuri 358 MS	6 595	Prospecting Right: LP30/5/1/1/2/376PR	19/03/2016	A mining right application was submitted in December 2015 and is pending	50.00 %

Notes to the Condensed Consolidated Financial Statements for the six months ended 31 December 2017 (continued)

4. Intangible assets (continued)

Project	Entity	Location	Property	Size (hectare)	Permit type & Number	Expiry date	Comment	% Interest
Brakfontein	Universal Coal Development III (Pty) Ltd	Delmas, Mpumalanga Province, South Africa	Brakfontein 264IR : Portions 6, 8, 9, 10, 20, 26, 30 and Remaining Extent	879	Mining Right: MP30/5/1/2/2/1 0027MR	07/2034	A mining right was granted and executed. Registration of the right is underway	50.29 %
NCC (Roodekop)	Universal Coal Development IV (Pty) Ltd	Kriel, Mpumalanga Province, South Africa	Roodekop 63IS	835	Mining Right: MP30/5/1/1/2/4 92MR	05/02/2034	S102 has been granted to allow the amalgamation of the mining rights. The consolidated mining right was executed on the 1st of November 2017 and is awaiting registration in the deeds office.	49.00 %
Eloff	Universal Coal Development IV (Pty) Ltd	Delmas. Mpumalanga Province. South Africa	Droogfontein 242IR. Strydpan 243IR. Stompiesfontein 273IR	8 168	Prospecting Rights: 788/2007(PR) & 817/2007(PR)	-	Acquired during FY2017. Mining right in application	14.20 %
Cygnus	Universal Coal Development V (Pty) Ltd	All Days, Limpopo Province, South Africa	Cygnus 543MS and adjacent farms	12 299	Prospecting Right: LP30/5/1/1/2/12 76PR	31/03/2019	Prospecting right renewal executed and is awaiting registration in the deeds office registered.	50.00 %

Notes to the Condensed Consolidated Financial Statements for the six months ended 31 December 2017 (continued)

4. Intangible assets (continued)

Project	Entity	Location	Property	Size (hectare)	Permit type & Number	Expiry date	Comment	% Interest
New Clydesdale Colliery	Universal Coal Development VIII (Pty) Ltd	Kriel, Mpumalanga Province , South Africa	Middeldrift 42 IS (portion 4), Diepspruit 41 IS (RE, RE of portions 1, 2, 3, portions 7, 8, 9, 10), Rietfontein 43 IS (RE, RE of portion 1, portion 3, M/A 2, 3, 4 of RE portion 1), Vaalkrans 29 IS (portions 4, 6, 8, 9, 11, 12, 13, 14, 16, RE of portion 16, M/A 2 of portion 6), Clydesdale 483 IS, Lourens 472 IS, Enkelbosch 20 IS (M/A 4 and 5) and Haasfontein 28 IS (portion 1, M/a 6 and 7 of portion 7)	4 125	Mining right: MP30/5/1/2/2/148MR	05/12/2019	S102 has been granted to allow the amalgamation of the mining rights. The consolidated mining right was executed on the 1st of November 2017 and is awaiting registration in the deeds office.	49.00 %
Arnot South Project	Universal Coal Development VII (Pty) Ltd	Arnot. Mpumalanga Province. South Africa	Vlakfontein 166 IS (RE Ext.. portions 2. 5. 8. 9. 10. 13 and 14); Tweefontein 203 IS (RE Ext. of portion 3. RE Ext. of portion 5.RE Ext. of portion 9. RE Ext. of portion 10 and portions 4. 7. 8. 11. 12. 13. 14. 18. 19. 20. 21. 22. 23. 24. 25); Op Goeden Hoop 205 IS (RE Ext. of portion 2); Groblersrecht 175 IS – whole farm; Klipfontein 495 IS (RE Ext. of MA 1); Vaalwater 173 IS (portions 10. 12. 14. RE Ext. of portion 2); Mooiplaats 165 IS (portions 4. 11. 12. 13. 15 and 16); Helpmekaar 168 IS – whole farm; Schoonoord 164 IS (portion 19); Leeuwpan 494 JS (portions 7. 8. 9. RE Ext. and RE Ext. of portion 4); Weltevreden 174 IS (portions 1. 2 (MA). 4 and RE Ext); Nooitgedacht 493 JS (portions 4 and 9)	15 532	Prospecting Right: MP30/5/1/1/2/360PR	(Original application) 30/10/2006 & 29/10/2011	Renewal of the prospecting right is pending and the acquisition is subject to the successful approval of the Prospecting Right transfer to Universal Coal in accordance with Section 11 of the Mineral and Petroleum Resources Development Act. 2002	50.00 %

*Modderfontein mining right was relinquished during previous period and is therefore no longer listed as an applicated right in the Universal Coal Development I (Pty) Ltd company.

5. Investments in associated undertakings

The group has interest in three associates, of which only one is regarded as individually material.

The following table summarise, in aggregate, the carrying amount and share of profit and other comprehensive income of these individually immaterial associated undertakings:

Group

Name of company	% ownership interest December 2017	% ownership interest June 2017	% ownership interest December 2016	Carrying amount December 2017 A$'000	Carrying amount June 2017 A$'000	Carrying amount December 2016 A$'000
Universal Coal Logistics Proprietary Limited	49.00 %	49.00 %	49.00 %	22	11	6
Universal Coal Development VI Proprietary Limited	15.00 %	15.00 %	15.00 %	6	5	11
Eloff Mining Company Proprietary Limited	29.00 %	29.00 %	- %	8 814	8 324	-
				8 842	8 340	17

	Group		
	31 December 2017 A$ '000	30 June 2017 A$ '000	31 December 2016 A$ '000
Carrying amount of investments accounted for using the equity method			
Opening balance	8 340	6	6
Acquisition of associated undertaking at cost	-	4 350	-
Fair value adjustment on acquisition of associated undertaking	-	3 972	-
Investment in the period	119	11	11
Foreign exchange movement in opening balance	281	1	-
Share of operating profit of associated undertakings	102	-	-
Total carrying value at the end of the year	**8 842**	**8 340**	**17**

On 30 June 2017, the subsidiary Universal Coal Development IV (Pty) Ltd acquired 29% of the shares of the Eloff Mining Company (Pty) Ltd and paid A$4.35Million in cash for the investment. The investment has been fair valued by taking into consideration the intrinsic market value underlying coal resources, as well as the net asset values as at the date of acquisition.

	Reviewed 31 December 2017 A$ '000	Audited 30 June 2017 A$ '000	Reviewed 31 December 2016 A$ '000

6. Loan receivable

Loans and receivables			
Ndalamo Resources Proprietary Limited	9 907	8 378	8 623

The loan is secured against a share pledge of Ndalamo's shares in UCD VIII and UCD IV, bears interest at prime plus 1% per annum and is fully repayable by 30 June 2020 in varying capital installments. The balance above represents a net amount of A$5.2 million (30 June 2017: A$5.0 million; 31 December 2016: A$4.7 million) and accumulated interest of A$4.7 million (30 June 2017: A$4.6 million; 31 December 2016: A$3.9 million). To date a gross capital amount of A$17.7 million (30 June 2017: A$17.1 million; 31 December 2016: A$15.1 million) has been loaned to Ndalamo Resources of which A$12.5 million (30 June 2017: A$12.1 million; 31 December 2016: A$10.4 million) has been on lent to UCD IV and UCD VIII. On consolidation this amount is offset against the gross loan balance due to offsetting rights included in the agreements.

7. Inventories

Run-of-mine(ROM) stockpiles	4 112	2 640	4 162
Coal product stockpiles	3 128	1 799	1 428
Diesel on hand	204	627	49
Consumable stores	168	91	672
	7 612	**5 157**	**6 311**

8. Trade and other receivables

Trade and other receivables	18 300	17 727	9 938
Deposits	-	1	-
Financial assets	18 300	17 728	9 938
Value Added Taxation	2 165	1 378	1 705
Prepayments	2 118	2 247	1 947
	22 583	**21 353**	**13 590**

Significant Prepayments: Universal Coal Development VII (Pty) Ltd

On 19 April 2012, Universal Coal & Energy Holdings South Africa Proprietary Limited acquired 1 (one) ordinary share (50%) of Universal Coal Development VII Proprietary Limited, a special purpose entity formed with the intention of acquiring additional prospecting rights in South Africa. Because certain conditions precedent still have to be concluded, the contribution of A$1.4 million (30 June 2017: A$1.7 million; 31 December 2016: A$1.4 million) is included in prepayments.

	Reviewed 31 December 2017 A$ '000	Audited 30 June 2017 A$ '000	Reviewed 31 December 2016 A$ '000

9. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	17 539	14 461	2 160
Fixed term deposits	-	-	3 552
Restricted cash	1 617	724	715
	19 156	**15 185**	**6 427**

Financial guarantees

A financial guarantee has been provided to Exxaro Coal Central (Pty) Ltd as a condition precedent to a sale of shares and claims agreement, and have been fully secured by a cash balance of A$0.9 million (30 June 2016: A$nil million).

Supplier guarantees

Supplier guarantees have been provided to certain suppliers of Universal Coal Development I (Pty) Ltd and have been fully secured by a cash balance of A$0.7 million (30 June 2017: A$0.7 million (ZAR7.2 million)).

10. Share capital

Allotted, issued and fully paid			
522 471 758 Ordinary shares of £0.05	44 466	44 466	44 466
Share premium	-	-	53 592
	44 466	**44 466**	**98 058**
Reconciliation of number of shares issued:			
Reported as at beginning of period	44 466	43 374	43 374
Conversion of convertible notes	-	1 092	1 092
Balance at end of period	**44 466**	**44 466**	**44 466**
Reconciliation of share premium:			
Reported as at beginning of period	-	52 941	52 941
Transfer to reserves*	-	(53 592)	-
Conversion of convertible notes	-	651	651
Balance at end of period	**-**	**-**	**53 592**

*During the prior financial period, the Company implemented a capital reduction scheme where the share premium account was cancelled and set off against the accumulated loss. The Company had a Share premium account to the value of A$53,591,657 at June 2017 that is classified as a distributable reserve. The reduction in capital has been approved by shareholders and was granted by the United Kingdom High Court of Justice on 28th June 2017. The Company now presents a positive distributable reserve instead of an accumulated loss which enables the company to facilitate future dividend payments:

Significant changes in the share capital of the Group for the half year ended 31 December 2017 were as follows

Ordinary shares	Date of issue	Number of shares issued	Cumulative shares issued
Opening balance		-	522 471 758
Closing balance			522 471 758

There was no change during the current period.

10. Share capital (continued)

Significant changes in the share capital of the Group for the financial year ended 30 June 2017 were as follows:

Ordinary shares	Date of issue	Number of shares issued	Cumulative shares issued
Opening balance		-	509 516 787
Conversion of convertible notes	7 July 2016	2 007 774	511 524 561
Conversion of convertible notes	8 August 2016	1 486 242	513 010 803
Conversion of convertible notes	9 September 2016	1 494 694	514 505 497
Conversion of convertible notes	10 October 2016	2 770 923	517 276 420
Conversion of convertible notes	14 November 2016	2 537 077	519 813 497
Conversion of convertible notes	12 December 2016	2 658 261	522 471 758
Closing balance			522 471 758

11. Share based payments

Share Options

The Company has share based payment arrangements relating to share options granted, which are as below:

31 December 2017				
Grant date	**Expiry Date**	**Exercise Price**	**Number issued**	**Outstanding**
01/04/2013	01/04/2018	A$ 0.26	3 300 001	3 300 001
			3 300 001	**3 300 001**

31 December 2016				
Grant date	**Expiry Date**	**Exercise Price**	**Number issued**	**Outstanding**
04/06/2012	03/06/2017	A$ 0.26	16 855 736	16 855 736
04/06/2012	03/06/2017	A$ 0.28	5 618 579	5 618 579
01/04/2013	01/04/2018	A$ 0.26	3 300 001	3 300 001
			25 774 316	**25 774 316**

The fair value of the share-based payment is based upon the Black-Scholes formula, a commonly used option pricing model. The calculation of volatility used in the model is based upon an average of market prices against current market prices of listed companies operating in the mining industry.

All options are equity settled and it has been assumed that all options will vest.

	Reviewed 31 December 2017 A$ '000	Audited 30 June 2017 A$ '000	Reviewed 31 December 2016 A$ '000

12. Borrowings

Non-current liabilities			
Shareholder's loans	-	-	1 907
Investec Kangala and NCC Project Finance Facilities	24 480	25 068	15 969
	24 480	25 068	17 876
Current liabilities			
Current portion of Investec Kangala and NCC Project Finance Facilities	10 571	6 539	5 781
	10 571	6 539	5 781

Shareholder's loan			
Mountain Rush Trading 6 Proprietary Limited	-	-	1 907

The shareholder loan was unsecured, interest free and had no specified terms of repayment. In accordance with IAS 39, the present value of the loan has been calculated at the prime rate of interest in South Africa plus two percent over 1.5 years (31 December 2016: 2.5 years), with the present value of the equity component being recognised in a convertible instrument reserve.

Finance facilities

Investec Kangala and NCC Project Finance Facilities	35 051	31 607	21 750

Investec Kangala and NCC Project Finance Facility

On 31 July 2015 Universal Coal entered into new financing agreements with Investec Bank Limited (Investec), acting through its Corporate and Institutional Banking division, replacing the existing banking facilities with Rand Merchant Bank, a division of FirstRand Bank Limited.

Funds from the Investec facilities are available as follows:
- Tranche A: Settlement of the Kangala project finance facility of A$30 million (ZAR285 million plus ZAR5 million for fees).
- Tranche A: A Working Capital Facility: A$2.6 million (ZAR25 million) facility for working capital for the Kangala Colliery.
- Tranche B: A$22 million (ZAR215 million) facility to fund the balance of capital development activities at NCC (undrawn).

The Kangala loan bears interest at three-month JIBAR plus 4% p.a. and the NCC loan at three month JIBAR plus 4.5% p.a.

Repayment of Tranche A will follow a quarterly cycle over 20 repayment periods, with interest being serviced simultaneously. The revolving working capital facility has a tenure of five years and must be repaid at the end of the period. Repayment of Tranche B will benefit from a repayment holiday for the first 12 months, and sixteen quarterly repayments will be made thereafter. Interest on this second tranche will be serviced quarterly following drawdown.

Security over the debt facilities are standard for a facility of this nature, and involve first ranking security over assets, including bonds over movable, immovable, mining and surface rights. A project completion guarantee for NCC was provided from the parent company; Universal Coal plc.

Transaction costs (debt issuance costs) of ZAR9.4 million (A$0.9 million) have been settled by utilising the finance facility. Debt issuance costs are recorded as a deferred charge and amortised over the term of the debt using the effective interest method.

Investec Short term loan

12. Borrowings (continued)

A short-term uncommitted revolving working capital facility of A$2.6 million (ZAR25 million) has been provided to the Kangala Colliery by Investec Bank Limited which is secured in line with the security package for the project financing facility. Interest on the daily outstanding balance is levied at JIBAR plus 4% per annum.

At the end of 31 December 2017 the full working capital facility was undrawn and available for draw down as required.

13. Provisions

Reconciliation of provisions - 31 December 2017

	Opening balance A$'000	Increase/(decease) in provision - change in estimate A$'000	Unwinding of provision A$'000	Foreign exchange movement A$'000	Total A$'000
Environmental rehabilitation - Kangala	3 541	-	160	120	3 821
Environmental rehabilitation - NCC	28 800	-	1 268	971	31 039
	32 341	**-**	**1 428**	**1 091**	**34 860**

Reconciliation of provisions - 30 June 2017

	Opening balance A$'000	Increase/(decease) in provision - change in estimate A$'000	Unwinding of provision A$'000	Foreign exchange movement A$'000	Total A$'000
Environmental rehabilitation - Kangala	3 934	(1 165)	386	386	3 541
Environmental rehabilitation - NCC	21 864	2 659	2 135	2 142	28 800
	25 798	**1 494**	**2 521**	**2 528**	**32 341**

The rehabilitation provision relates to the estimated costs of correcting any disturbance relating to mining activities and those incidental thereto for the Kangala and NCC. The level of provision is commensurate with work completed to date.

The cost of rehabilitation of the Kangala Colliery was estimated at A$4.1 million (30 June 2017: A$4.0 million). The future value of the Kangala provision was calculated by escalating estimated costs at an average CPI of 6% over the life of the mine of 4.5 years. This amount is discounted at the 10 year South African Government Bond Rate of 8.94% to arrive at a carrying value of A$3.8 million (30 June 2017: A$3.5 million).

The cost of rehabilitation of NCC was estimated at A$37.1 million (30 June 2017: A$35.9 million). The future value of the NCC provision was calculated by escalating estimated costs at an average CPI 6% over the life of the mine of 9.5 years. This amount is discounted at the 10 year South African Government Bond Rate of 8.94% to arrive at a carrying value of A$31.0 million (30 June 2017: A$28.8 million).

	Reviewed 31 December 2017 A$ '000	Audited 30 June 2016 A$ '000	Reviewed 31 December 2016 A$ '000

14. Trade and other payables

Trade payables	14 885	19 083	10 007
Accrued expenses	9 607	2 847	1 390
Financial liabilities	**24 492**	**21 930**	**11 397**

	Reviewed 31 December 2017 A$ '000	Reviewed 31 December 2016 A$ '000

15. Loss on sale of fixed assets

During the 2017 financial year NCC incurred a loss on the sale of assets of A$9.725 million arising from the sale of redundant underground mining assets. An underground contract miner was appointed at NCC and has supplied new equipment tailored to the current underground condition.

16. Finance income

Interest revenue		
Bank and fixed deposit interest	562	169
Ndalamo loan interest	1 246	1 788
Decrease in rehabilitation provision estimate	-	3 289
Total interest income	**1 808**	**5 246**

17. Finance expenses

Interest on Investec Project Finance Facilities	1 713	1 256
Interest on converting notes	190	262
Accretion of deferred transaction costs	184	247
Unwinding of discount on provisions and other liabilities	1 428	2 557
Total finance costs	**3 515**	**4 322**

	Reviewed 31 December 2017 A$ '000	Reviewed 31 December 2016 A$ '000

18. Taxation

The estimated tax loss available for set off against future taxable income is A$47.5 million (Dec 2016: A$30.9 million).

Factors affecting the tax charge

Profit / (loss) on ordinary activities before tax	19 184	(2 424)
Tax at the applicable tax rate of 28%	(5 372)	679
Tax effect of adjustments on taxable income		
Non-deductible expenses	(238)	(383)
Tax losses utilised	4 808	2 604
Temporary differences	(2 995)	(765)
Tax losses not recognised	(1 254)	(1 460)
Total taxation	**(5 051)**	**675**

19. Cash generated from operations

Profit/(loss) before taxation	19 184	(2 424)
Adjustments for:		
Depreciation and amortisation	9 235	6 016
Foreign exchange loss	60	8
Income from equity accounted investments	(102)	-
Finance income	(1 808)	(5 246)
Finance expenses	3 515	4 322
Derivative financial liability	(147)	(1 151)
Loss on sale of fixed assets	-	9 727
Changes in working capital:		
Increase in inventories	(2 281)	(2 836)
(Decrease) / increase in trade and other receivables	(439)	83
(Decrease) trade and other payables	(4 628)	(17)
	22 589	**8 482**

20. Significant non-cash transactions

Operating activities		
Loss on sale of assets	-	9 727
Depreciation and amortisation	9 235	6 016
Finance income	(1 308)	(3 289)
Finance expense	2 827	4 046
	10 754	**16 500**

21. Related parties

Relationships

Holding company	Universal Coal and Energy Holdings South Africa Proprietary Limited (UCEHSA)
Subsidiaries	Universal Coal Development I (Pty) Ltd Universal Coal Development II (Pty) Ltd Universal Coal Development III (Pty) Ltd Universal Coal Development IV (Pty) Ltd Universal Coal Development V (Pty) Ltd Universal Coal Development VII (Pty) Ltd Universal Coal Development VIII (Pty) Ltd Twin Cities Trading 374 (Pty) Ltd Epsimax (Pty) Ltd Episolve (Pty) Ltd Bold Moves 1765 (Pty) Ltd Universal Coal Power Generation (Pty) Ltd
Associated undertakings	Universal Coal Development VI (Pty) Ltd Universal Coal Logistics (Pty) Ltd Eloff Mining Company (Pty) Ltd
Black Empowerment Economic Partners	Unity Rocks Mining (Pty) Ltd Mountain Rush Trading 6 (Pty) Ltd Solar Spectrum Trading 365 (Pty) Ltd Proper Health (Pty) Ltd Pacific Breeze Trading 725 (Pty) Ltd Azaramix Investments (Pty) Ltd Identity Coal (Pty) Ltd Ndalamo Resources (Pty) Ltd Bono Lithihi Investments Group (Pty) Ltd
Other related parties and connected persons	KEE Enterprises (Pty) Ltd Hendrik Bonsma Coal Development Holding B.V African Minerals Exploration and Development GP SARL IchorCoal N.V.

21. Related parties (continued)

	Reviewed 31 December 2017 A$ '000	Audited 30 June 2017 A$ '000	Reviewed 31 December 2016 A$ '000
Related party balances			
Loan from related parties			
Mountain Rush Trading 6 (Pty) Ltd	-	-	1 907
Loan to related parties			
Ndalamo Resources (Pty) Ltd	9 907	8 378	8 623
Related party transactions			
Consulting fees paid to related parties			
African Minerals Exploration and Development GP	80	160	80
IchorCoal N.V.	80	160	80
Mountain Rush Trading 6 (Pty) Ltd	4 395	7 597	3 332
Dividend paid to related parties			
Mountain Rush Trading 6 (Pty) Ltd	2 239	-	-
Rent paid to related parties			
KEE Enterprises (Pty) Ltd	60	97	47
Shareholder loan repayment			
Mountain Rush Trading 6 (Pty) Ltd	-	2 252	330

Universal Coal Development I (Pty) Ltd secured a portion of the 100% Kangala equity funding requirement of A$16.9 million (ZAR160 million) through a shareholders loan of A$4.30 million (ZAR47.2 million) from Black Economic Empowerment partner Mountain Rush Trading 6 (Pty) Ltd. A shareholder loan repayment of A$0.9 million (ZAR9.3 million) was made during the period (30 June 2017: A$2.3 million (ZAR23 million); 31 December 2016: A$0.3 million (ZAR3.4 million)).

On 12 August 2014, a financing term sheet was entered into between Universal Coal and Energy Holdings South Africa (Pty) Ltd and Ndalamo Resources (Pty) Ltd for the financing of the NCC Roodekop project. The loan is secured against a share pledge, bears interest at prime plus 1% per annum and is fully repayable by 30 June 2020 in varying capital installments. The balance above represents a net amount of A$5.2 million (30 June 2017: A$4.6 million; 31 December 2016: A$1.3 million) and accumulated interest of A$4.7 million (30 June 2017: A$1.9 million; 31 December 2016: A$1.5 million). To date a gross capital amount of A$17.7 million ((30 June 2017: A$13.5 million; 31 December 2016: A$11.5 million) has been loaned to Ndalamo Resources of which A$12.5 million (30 June 2017: A$8.9 million; 31 December 2016: A$10.2 million) has been onlent to UCD IV and UCD VIII. On consolidation this amount is offset against the gross loan balance due to offsetting rights included in the agreements. The balance of A$5.2 million has been utilised to subscribe for shares in UCDIV.

On 5 December 2012, the Company entered into a private placement agreement with Coal Development Holding B.V. (CDH) a wholly owned investment vehicle of African Minerals Exploration and Development GP SARL for the acquisition of 29.99% of the issued share capital of Universal Coal Plc. One of the key terms of the placement was that CDH has the right to nominate two Non-Executive Directors to the Company’s Board. Following Shareholder approval at the Company’s Annual General Meeting on 21 December 2012, the Board of Universal Coal Plc approved the appointment of Mr David Twist and Mr Carlo Baravalle as Non-Executive Directors effective from 7 January 2013. Monthly fees of A$0.01 million are payable to African Minerals Exploration and Development GP SARL.

Fees paid to Mountain Rush Trading 6 (Pty) Ltd relate to facilitation and service fees permitted in the Facilitation and Service Fee Agreement entered into on 6 May 2013 between Mountain Rush Trading 6 (Pty) Ltd, Universal Coal Development I (Pty) Ltd and Universal Coal and Energy Holdings South Africa (Pty) Ltd. The transaction is considered to be at “arms-length”.

21. Related parties (continued)

On 1 September 2014, Universal Coal Plc entered into a Subscription Agreement with IchorCoal N.V. for the strategic investment of A$24.5 million and furthermore entered into a Warrant Instrument with IchorCoal N.V. whereby IchorCoal N.V. would subscribe for 71 220 000 Warrants, exercisable for a period of 18 months at a strike price of A$0.36. As part of the investment and effective from 16 October 2014, Messrs Nonkululeko Nyembezi and Andries Engelbrecht were appointed to the Board of Universal Coal as nominee directors of IchorCoal N.V. Monthly fees of A$13.3 thousand are payable to IchorCoal N.V.

A lease agreement was entered into with KEE Enterprises on 1 June 2014 for office rental in South Africa. The controlling shareholder of KEE Enterprises (Pty) Ltd, Hendrik Bonsma is also a non-executive director of Universal Coal Plc. The period of the lease is for 5 years at a market related rental of A$10 000 per month with an annual escalation clause of 8% per annum.

In October 2017 UCDI declared and paid a dividend of R 80 000 per share. A total dividend of A$2.24 million (ZAR 23 600 000) was paid to Mountain Rush Trading 6 (Pty) Ltd.

22. Risk management

Financial risk management

A. Accounting Classifications and Fair values

The Group's activities expose it to a variety of financial risks: in particular market risk (including currency risk, fair value and interest rate risk) and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the Group's performance. The Board on behalf of the members carries out risk management.

The financial instruments of the Group are:		Note	Fair value hierarchy	Loans and receivables Carrying amount A$'000	Loans and receivables Fair value A$'000	Financial Liabilities Carrying amount A$'000	Financial Liabilities Fair value A$'000
31 December 2017							
Financial assets							
Trade and other receivables	1	8	Level 3	18 300	18 300	-	-
Unrestricted cash	1	9	Level 1	17 539	17 539	-	-
Restricted cash	1	9	Level 1	1 617	1 617	-	-
Loan receivable	1	6	Level 3	9 907	9 907	-	-
Other financial assets		-		1 380	1 380	-	-
				48 743	48 743	-	-
Financial liabilities							
Trade payables	1	14	Level 3	-	-	24 492	24 492
Derivative financial liability	3		Level 3	-	-	130	130
Borrowings	2	12	Level 3	-	-	35 051	35 051
Converting notes	2		Level 3	-	-	550	550
				48 743	**48 743**	**60 223**	**60 223**

The financial instruments of the Group are:		Note	Fair value hierarchy	Loans and receivables Carrying amount A$'000	Loans and receivables Fair value A$'000	Financial Liabilities Carrying amount A$'000	Financial Liabilities Fair value A$'000
30 June 2017							
Financial assets							
Trade and other receivables	1	8	Level 3	17 728	17 728	-	-
Unrestricted cash	1	9	Level 1	14 461	14 461	-	-
Restricted cash	1	9	Level 1	724	724	-	-
Loan receivable	1	6	Level 3	8 378	8 378	-	-
Other financial assets		-		1 293	1 293	-	-
				42 584	42 584	-	-
Financial liabilities							
Trade payables	1	14	Level 3	-	-	21 930	21 930
Derivative financial liability	3		Level 3	-	-	277	277
Borrowings	2	12	Level 3	-	-	31 607	31 607
Converting notes	2		Level 3	-	-	1 476	1 476
				42 584	**42 584**	**55 290**	**55 290**

[1] The carrying amount of these financial assets and liabilities are a reasonable approximation of their fair values
[2] Financial liabilities recognised as at amortised cost
[3] Financial liabilities designated as at fair value through profit or loss

Value Added Taxation and prepayments of A$4.3 million (30 June 2017: A$3.6 million) and provisions and deferred tax of A$42.3 million (30 June 2017: A$42.4 million) have been excluded as these do not meet the definition of a financial asset or financial liability as defined in IAS 32 *Financial Instruments: Presentation.*

22. Risk management (continued)

B. Valuation Techniques and significant unobservable inputs

The Group has assessed the different levels in the fair value hierarchy, for its financial instruments, based on the inputs used in the valuation techniques.

The following tables show the valuation techniques used in measuring level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at Fair Value

Type	Valuation Technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative financial liabilities (derivative component)	Black-Scholes option pricing model	Share price volatility	Refer to the sensitivity analysis table below

Financial instruments not measured at Fair Value

Type	Valuation Technique	Significant unobservable input
Shareholder Loan, Borrowings	Amortised cost which approximates fair value	Not applicable

Sensitivity of Level 3 financial assets and liabilities

The carrying amount of financial assets and liabilities that are valued using inputs other than observable market data are calculated using appropriate valuation models, including discounted cash flow modelling, with inputs such as term of instruments, risk free interest rate, volatility and consumer price index. The potential effect of using reasonably possible alternative assumptions in these models, based on change in the most significant input by 10 percent while holding all other variables constant would have the following effects:

31 December 2017	**Carrying amount A$'000**	**10% increase in input**	**10% decrease in input**
Derivative financial liability	130	144	118
Converting notes	550	605	495
	680	**749**	**613**

30 June 2017	**Carrying amount A$'000**	**10% increase in input**	**10% decrease in input**
Derivative financial liability	277	322	232
Converting notes	1 476	1 624	1 328
	1 753	**1 946**	**1 560**

23. Earnings Per Share

	Reviewed 31 December 2017	Reviewed 31 December 2016
Numerator		
Earnings used in basic earnings per share (A$)	10 713 540	715 023
Earnings used in basic and diluted earnings per share (A$)	**10 713 540**	**715 023**
Denominator		
Weighted average number of shares used in basic and diluted earnings per share	522 471 758	515 694 759

Convertible loan notes, share options and warrants have not been included in the calculation of diluted earnings per share because they are out of the money. The total number of options and warrants issued is disclosed in note 11.

24. Events after the reporting period

On 23 February 2018 the total outstanding balance of 906 500 converting notes were settled in cash.

On 28 February 2018, the Company declared a gross interim dividend of A$0.01 per share in respect of the interim period ending 31 December 2017. The dividend is declared in Australian Dollars and will be unfranked for Australian tax purposes. The dividend will have a record date of 8th March 2018 and will be paid on 28 March 2018.

The directors are not aware of any other material events which occurred after the reporting date and up to the date of this report, which would have an impact on the financial statements.

Independent Reviewer Report

Independent Review Report to Universal Coal Plc

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2017 which comprises the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows and the related explanatory notes.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly report, including the financial information contained therein, is the responsibility of and has been approved by the directors. The directors are responsible for preparing the half-yearly report in accordance with the rules of the Australian Stock Exchange. As disclosed in note one, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, ‘‘Interim Financial Reporting’’, as adopted by the European Union.

Our responsibilities

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting its responsibilities in respect of half-yearly financial reporting in accordance with the requirements of the rules of the Australian Stock Exchange and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, ‘‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity’’, issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independent Reviewer's Report (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2017 is not prepared, in all material respects, in accordance with the rules of the Australian Stock Exchange and International Accounting Standard 34 'Interim Financial Reporting' as adopted by the European Union.

BDO LLP

BDO LLP
Chartered Accountants
55 Baker Street
London W1U 7EU
United Kingdom
28 February 2018

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