

Wollongong Coal Limited

ABN 28 111 244 896

Unaudited quarterly management accounts - 31 December 2014

Wollongong Coal Limited
Statement of profit or loss and other comprehensive income
For the period ended 31 December 2014

		Consolidated	
		31/12/2014	30/09/2014
		(for 3	(for 3
	Note	months)	months)
		\$'000	\$'000
Revenue	1	-	3,275
Other income	2	47	40
Expenses			
Cost of sales		(5,820)	(4,391)
Distribution expenses		(88)	1,054
Administrative expenses		(3,966)	(4,058)
Environmental expenses		(147)	(211)
Impairment of assets		-	(16,679)
Net foreign exchange loss unrealised		(20,511)	(21,200)
Net foreign exchange loss realised		-	(1,690)
Finance costs		(5,570)	(6,981)
Loss before income tax expense		(36,055)	(50,841)
Income tax expense		-	-
Loss after income tax expense for the period attributable to the owners of Wollongong Coal Limited		(36,055)	(50,841)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Gain/(loss) on revaluation of available-for-sale financial assets		-	(1,351)
Other comprehensive income for the period, net of tax		-	(1,351)
Total comprehensive income for the period attributable to the owners of Wollongong Coal Limited		<u>(36,055)</u>	<u>(52,192)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Wollongong Coal Limited
Statement of financial position
As at 31 December 2014

	Note	Consolidated 31/12/2014 \$'000	30/09/2014 \$'000
Assets			
Current assets			
Cash and cash equivalents	3	9,668	12,906
Trade and other receivables	4	15,878	6,381
Inventories	5	9,773	6,865
Deposits	6	601	601
Total current assets		<u>35,920</u>	<u>26,753</u>
Non-current assets			
Receivables	7	42,867	50,037
Available-for-sale financial assets	8	1,020	1,020
Property, plant and equipment	9	891,085	873,889
Exploration and licenses	10	360	360
Deposits	11	391	391
Total non-current assets		<u>935,723</u>	<u>925,697</u>
Total assets		<u>971,643</u>	<u>952,450</u>
Liabilities			
Current liabilities			
Trade and other payables	12	55,774	60,195
Borrowings	13	407,109	385,523
Working capital facilities	14	46,445	63,533
Derivative financial instruments	15	118	118
Provisions	16	9,073	10,396
Total current liabilities		<u>518,519</u>	<u>519,765</u>
Non-current liabilities			
Borrowings	17	75,351	73,048
Bonds	18	14,947	14,714
Restoration guarantee	19	20,226	20,044
Total non-current liabilities		<u>110,524</u>	<u>107,806</u>
Total liabilities		<u>629,043</u>	<u>627,571</u>
Net assets		<u>342,600</u>	<u>324,879</u>
Equity			
Issued capital		898,960	845,241
Reserves	20	18,122	18,065
Accumulated losses	21	(574,482)	(538,427)
Total equity		<u>342,600</u>	<u>324,879</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Wollongong Coal Limited
Statement of changes in equity
For the period ended 31 December 2014

Consolidated	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2014	845,241	19,456	(487,586)	377,111
Loss after income tax expense for the period	-	-	(50,841)	(50,841)
Other comprehensive income for the period, net of tax	-	(1,351)	-	(1,351)
Total comprehensive income for the period	-	(1,351)	(50,841)	(52,192)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	(40)	-	(40)
Balance at 30 September 2014	845,241	18,065	(538,427)	324,879

Consolidated	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 October 2014	845,241	18,065	(538,427)	324,879
Loss after income tax expense for the period	-	-	(36,055)	(36,055)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	-	(36,055)	(36,055)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	53,719	-	-	53,719
Share-based payments	-	57	-	57
Balance at 31 December 2014	898,960	18,122	(574,482)	342,600

The above statement of changes in equity should be read in conjunction with the accompanying notes

Wollongong Coal Limited
Calculations
31 December 2014

Calculation 1. Revenue

	Consolidated	
	31/12/2014	30/09/2014
	(for 3 months)	(for 3 months)
	\$'000	\$'000
<i>Sales revenue</i>		
Export sales	-	3,264
<i>Other revenue</i>		
Rent	-	7
Other revenue	-	4
	-	11
Revenue	-	3,275

Calculation 2. Other income

	Consolidated	
	31/12/2014	30/09/2014
	(for 3 months)	(for 3 months)
	\$'000	\$'000
Sundry income	18	-
Interest	29	40
Other income	47	40

Calculation 3. Current assets - cash and cash equivalents

	Consolidated	
	31/12/2014	30/09/2014
	\$'000	\$'000
Cash at bank	5,048	7,786
Cash on deposit	4,620	5,120
	9,668	12,906

Wollongong Coal Limited**Calculations****31 December 2014****Calculation 4. Current assets - trade and other receivables**

	Consolidated	
	31/12/2014	30/09/2014
	\$'000	\$'000
Trade receivables	10,853	1,746
Other receivables	4,426	4,089
Prepayment	599	546
	<u>15,878</u>	<u>6,381</u>

Calculation 5. Current assets - inventories

	Consolidated	
	31/12/2014	30/09/2014
	\$'000	\$'000
Raw materials - at cost	5,017	4,630
Finished goods - at net realisable value	4,756	2,235
	<u>9,773</u>	<u>6,865</u>

Calculation 6. Current assets - deposits

	Consolidated	
	31/12/2014	30/09/2014
	\$'000	\$'000
Security deposits	601	601

Calculation 7. Non-current assets - receivables

	Consolidated	
	31/12/2014	30/09/2014
	\$'000	\$'000
Trade receivables	59,546	66,716
Less: Provision for impairment of receivables	(16,679)	(16,679)
	<u>42,867</u>	<u>50,037</u>

Wollongong Coal Limited
Calculations
31 December 2014

Calculation 8. Non-current assets - available-for-sale financial assets

	Consolidated	
	31/12/2014	30/09/2014
	\$'000	\$'000
Shree Minerals Limited	900	900
Port Kembla Coal Terminal	120	120
	<u>1,020</u>	<u>1,020</u>

Calculation 9. Non-current assets - property, plant and equipment

	Consolidated	
	31/12/2014	30/09/2014
	\$'000	\$'000
Land and buildings - at cost	46,542	46,542
Less: Accumulated depreciation	(822)	(822)
	<u>45,720</u>	<u>45,720</u>
Plant and equipment - at cost	268,623	264,992
Less: Accumulated depreciation	(83,695)	(78,533)
	<u>184,928</u>	<u>186,459</u>
Mine development - at cost	649,310	630,464
Less: Accumulated depreciation	(133,844)	(133,844)
Less: Impairment	(51,318)	(51,318)
	<u>464,148</u>	<u>445,302</u>
Mining lease - at cost and valuation	387,275	387,275
Less: Accumulated depreciation	(995)	(995)
Less: Impairment	(231,281)	(231,281)
	<u>154,999</u>	<u>154,999</u>
Deferred restoration - at cost	15,242	15,242
Less: Accumulated depreciation	(3,604)	(3,485)
	<u>11,638</u>	<u>11,757</u>
Pre-production expenses	58,708	58,708
Less: Accumulated depreciation	(29,056)	(29,056)
	<u>29,652</u>	<u>29,652</u>
	<u>891,085</u>	<u>873,889</u>

Wollongong Coal Limited**Calculations****31 December 2014****Calculation 10. Non-current assets - exploration and licenses**

	Consolidated	
	31/12/2014	30/09/2014
	\$'000	\$'000
Opening value	5,600	5,600
Impairment	(5,240)	(5,240)
	<u>360</u>	<u>360</u>

Calculation 11. Non-current assets - deposits

	Consolidated	
	31/12/2014	30/09/2014
	\$'000	\$'000
Other deposits	<u>391</u>	<u>391</u>

Calculation 12. Current liabilities - trade and other payables

	Consolidated	
	31/12/2014	30/09/2014
	\$'000	\$'000
Trade payables	30,742	23,961
Accruals and others	24,286	20,716
Other payables	<u>746</u>	<u>15,518</u>
	<u>55,774</u>	<u>60,195</u>

Calculation 13. Current liabilities - borrowings

	Consolidated	
	31/12/2014	30/09/2014
	\$'000	\$'000
Bank loans	<u>407,109</u>	<u>385,523</u>

Calculation 14. Current liabilities - working capital facilities

	Consolidated	
	31/12/2014	30/09/2014
	\$'000	\$'000
State Bank of India working capital loan	11,010	11,028
JSPML- Cash Advance Facility	<u>35,435</u>	<u>52,505</u>
	<u>46,445</u>	<u>63,533</u>

Wollongong Coal Limited
Calculations
31 December 2014

Calculation 15. Current liabilities - derivative financial instruments

	Consolidated	
	31/12/2014	30/09/2014
	\$'000	\$'000
Interest Rate Swap Contract	118	118

Calculation 16. Current liabilities - provisions

	Consolidated	
	31/12/2014	30/09/2014
	\$'000	\$'000
Employee benefits	9,073	10,396

Calculation 17. Non-current liabilities - borrowings

	Consolidated	
	31/12/2014	30/09/2014
	\$'000	\$'000
Bank loans	75,351	73,048

Calculation 18. Non-current liabilities - bonds

	Consolidated	
	31/12/2014	30/09/2014
	\$'000	\$'000
Fully convertible bonds - 8%	10,000	10,000
Accumulated interest on the above	4,947	4,714
	14,947	14,714

Calculation 19. Non-current liabilities - restoration guarantee

	Consolidated	
	31/12/2014	30/09/2014
	\$'000	\$'000
Restoration guarantees	15,706	15,693
Restoration liability unwinding	3,063	3,050
Restoration of mine site	1,457	1,301
	20,226	20,044

Wollongong Coal Limited**Calculations****31 December 2014****Calculation 20. Equity - reserves**

	Consolidated	
	31/12/2014	30/09/2014
	\$'000	\$'000
Available-for-sale reserve	(931)	(931)
General reserve	203	203
Share-based payments reserve	18,850	18,793
	<u>18,122</u>	<u>18,065</u>

Calculation 21. Equity - accumulated losses

	Consolidated	
	31/12/2014	30/09/2014
	\$'000	\$'000
Accumulated losses at the beginning of the financial period	(538,427)	(487,586)
Loss after income tax expense for the period	<u>(36,055)</u>	<u>(50,841)</u>
Accumulated losses at the end of the financial period	<u>(574,482)</u>	<u>(538,427)</u>

Calculation 22. EBITDA calculation

	Total
Consolidated - 31/12/2014 (for 3 months)	\$'000
Adjusted EBITDA	(4,510)
Depreciation and amortisation	(5,437)
Finance costs	(5,540)
Unrealised exchange loss	(20,511)
Share-based payments	(57)
Loss before income tax expense	<u>(36,055)</u>
Income tax expense	-
Loss after income tax expense	<u>(36,055)</u>
Consolidated - 30/09/2014 (for 3 months)	Total
	\$'000
Adjusted EBITDA	(5,176)
Depreciation and amortisation	(845)
Impairment	(16,679)
Finance costs	(6,981)
Unrealised exchange loss	(21,200)
Share-based payments	40
Loss before income tax expense	<u>(50,841)</u>
Income tax expense	-
Loss after income tax expense	<u>(50,841)</u>