

TAKORADI GOLD (INTERNATIONAL) LIMITED

Company Number 2065485

ANNUAL REPORT

YEAR ENDED 30 JUNE 2012

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TAKORADI GOLD (INTERNATIONAL) LIMITED

COMPANY INFORMATION

Directors	Rodney T Hudspeth
Secretary	St Johns Square Secretaries Limited
Company Number	2065485
Auditor	PKF (UK) LLP Farringdon Place 20 Farringdon Road London EC1M 3AP

TAKORADI GOLD (INTERNATIONAL) LIMITED

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TAKORADI GOLD (INTERNATIONAL) LIMITED
DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2012

The directors submit their report and the financial statements for the year ended 30 June 2012

Principal activity

The principal activity of the company and its subsidiaries during the year was exploration for gold

Directors

The directors who served during the year and their interests in the company's issued share capital at the balance sheet date and at the start of the year (or date of appointment, if later) were:

Rodney T Hudspeth

Albert G Harris (deceased 13 November 2011)

The directors' interests in the share capital of the ultimate parent company, Takoradi Limited, are shown in the financial statements of that company

Material Interest in Contracts

Mr R T Hudspeth is employed by a management company under contract to the group, and Mr A G Harris was employed under contract to provide management advice to the group. No other Directors have any material interest in contracts undertaken by either the Company or other group companies.

The ultimate parent undertaking is providing sufficient funds to meet the Company's, and its group companies' working capital requirements

Provision of information to auditors

The director at the time when this Directors' Report is approved has confirmed that

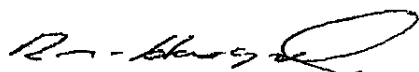
- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing his report and to establish that the company's auditor is aware of that information

Auditor

The auditor, under section 487(2) of the Companies Act 2006, PKF (UK) LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

In preparing this report the directors have taken advantage of the small company exemptions in Part 15 of the Companies Act 2006

This report was approved by the board of directors on ^{22nd} MARCH 13. and signed on behalf of the board by


DIRECTOR.

Rodney Hudspeth

~~Director~~

**TAKORADI GOLD (INTERNATIONAL) LIMITED
DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the directors' 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 have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, to disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAKORADI GOLD (INTERNATIONAL) LIMITED

We have audited the financial statements of Takoradi Gold (International) Limited for the year ended 30 June 2012 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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 auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2012 and of its result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1(b) to the financial statements concerning the company's ability to continue as a going concern. The company's total liabilities exceeded its total assets by A\$2,553,515 at 30 June 2012 and it is dependent on the support of its ultimate parent undertaking which itself is dependent on the continued support of its own shareholders and private investors. These conditions, along with the other matters explained in note 1(b) to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
TAKORADI GOLD (INTERNATIONAL) LIMITED
(continued)**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

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

PKF (UK) LLP

Jason Homewood (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditor
London, UK

Date 26/3/13

TAKORADI GOLD (INTERNATIONAL) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 2012

	Notes	2012 A\$	2011 A\$
Distribution costs		-	-
Administrative expenses		-	-
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	<hr/>	<hr/>

All amounts relate to continuing activities

There are no other recognised gains or losses for the year

The notes in pages 7 to 10 form part of these financial statements

TAKORADI GOLD (INTERNATIONAL) LIMITED
COMPANY NUMBER: 2065485
BALANCE SHEET
30 JUNE 2012

	Notes	2012 A\$	2011 A\$
FIXED ASSETS			
Intangible	4	16,548	16,548
Investments	5	1	1
		<u>16,549</u>	<u>16,549</u>
CURRENT ASSETS			
Cash at bank and in hand		222	222
		<u>222</u>	<u>222</u>
CREDITORS: amounts falling due within one year	6	(3,000)	(3,000)
NET CURRENT LIABILITIES		<u>(2,778)</u>	<u>(2,778)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>13,771</u>	<u>13,771</u>
CREDITORS: amounts falling due after more than one year	7	(2,567,286)	(2,567,286)
NET LIABILITIES		<u>(2,553,515)</u>	<u>(2,553,515)</u>
CAPITAL AND RESERVES			
Called up share capital	8	222	222
Profit and loss account	9	(2,553,737)	(2,553,737)
		<u>(2,553,515)</u>	<u>(2,553,515)</u>

The notes in pages 7 to 10 form part of these financial statements

The financial statements were approved by the board and authorised for issue on 22 March 2013

Signed on behalf of the board of directors


Director

Rodney Hudspeth

TAKORADI GOLD (INTERNATIONAL) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2012

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

(b) Going concern

The company balance sheet shows that liabilities exceed assets by A\$2,553,515 (2011 A\$2,553,515) including a liability of A\$2,567,286 (2011 A\$2,567,286) to the ultimate parent undertaking, Takoradi Limited. This company is therefore dependent on Takoradi Limited's ability to continue as a going concern. Takoradi Limited has confirmed that it will not seek repayment of the amounts outstanding for a period of at least one year from the date of approval of these financial statements. Takoradi Limited has also confirmed its intention to maintain its financial support for the foreseeable future to enable the company to meet its commitments as these fall due. Takoradi Limited itself is dependent upon, inter alia, the continued support of its own shareholders and private investors, and there is no guarantee that such support will be provided although the directors are confident that such support will be available. Therefore, there exists a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements have been drawn up on a going concern basis and do not include the adjustments that would result if the company was unable to continue as a going concern.

(c) Foreign currencies

Amounts payable and cash at bank of the company in foreign currencies have been translated to Australian currency at the rates ruling at year end. Transactions during the year have been accounted for at the ruling rates at date of payment. The applicable rate of exchange between the United Kingdom Pound and the Australian Dollar as at 30 June 2012 was £1 to A\$1 5367.

(d) Intangible fixed assets

Mineral Tenements

The costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area, or where activities have not reached a stage which permits reasonable assessment of the existence of economically recoverable reserves. Regular review of the carrying value of tenements is undertaken by Directors to determine whether any revaluation is appropriate.

TAKORADI GOLD (INTERNATIONAL) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2012

1 ACCOUNTING POLICIES (continued)

(e) Investments

Investments in subsidiaries are included at cost less provision for impairment. Impairment is based upon the directors' view of the prospects of the subsidiary undertakings.

(f) Deferred taxation

Provision is made for deferred tax using the liability method to the extent that it is probable that a liability will crystallise.

2 OPERATING PROFIT

The operating profit is stated after charging

	2012 A\$	2011 A\$
Audit fees	-	-

No directors received any emoluments (2011 – A\$NIL)

3 TAXATION

Although the company has cumulative tax losses, no provision has been included for a deferred tax asset on the basis that there is uncertainty in respect of the company's ultimate recoupment of costs incurred to date and return to profitability.

4 INTANGIBLE FIXED ASSETS – Deferred Development expenditure

	Mineral tenements A\$	Total A\$
Cost		
At 1 July 2011 and 30 June 2012	16,548	16,548
Amortisation		
At 1 July 2011 and 30 June 2012	-	-
Net book amount		
At 30 June 2012	16,548	16,548
At 30 June 2011	16,548	16,548

The company's mining tenements were reviewed by the directors as at 30 June 2012. The directors reviewed internal geological reports and considered the existing market conditions for gold mining to determine the tenement values.

The ultimate recoupment of these costs is dependent upon successful development and commercial exploitation or alternatively sale of respective areas of interest.

TAKORADI GOLD (INTERNATIONAL) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2012

5 FIXED ASSET INVESTMENTS

	A\$
Cost	
At 1 July 2011	
and 30 June 2012	2,416,277
Provisions	
At 1 July 2011	
and 30 June 2012	2,416,276
Net book amount	
At 30 June 2012	1
At 30 June 2011	1

The company holds the following investments in subsidiary undertakings

Name	Country of incorporation/ registration and operation	Type of share	% of nominal value of shares	Loss for the year		Aggregate capital and reserves	
				2012 A\$	2011 A\$	2012 A\$	2011 A\$
Takoradi Gold (Ghana) Ltd	UK	Ord	100	(379,998)	(370,731)	(12,085,185)	(11,705,187)
Northern Goldfields Limited	Ghana	Ord	72	(364,359)	(346,178)	(7,689,028)	(6,619,502)

Both companies undertake exploration for gold.

6 CREDITORS:

Amounts falling due within one year

	2012 A\$	2011 A\$
Other creditors	3,000	3,000

7 CREDITORS:

Amounts falling due after more than one year

	2012 A\$	2011 A\$
Amounts owed to group undertakings	2,567,286	2,567,286

TAKORADI GOLD (INTERNATIONAL) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2012

8 SHARE CAPITAL

	Allotted, called up and fully paid	
	No	A\$
At 1 July 2011 and 30 June 2012 Ordinary shares of £1 each	100	222

9 RESERVES

	A\$
Profit and loss account	
At 1 July 2011	(2,553,737)
Profit for the year	-
At 30 June 2012	(2,553,737)

10 CONTINGENT LIABILITIES

The company has reached agreement in principle with the Trustee of the Estate of George Blay Kwofie in respect to the Insamankaw Joint Venture Agreement which has expired. The following issues are being renegotiated - the amount outstanding for payment, and renewal of the Joint Venture Agreement for an additional period. The Directors are confident that the Company and its subsidiaries will not incur a material liability to extend the company's interest in the Joint Venture.

11 TRANSACTIONS WITH RELATED PARTIES

As a wholly owned subsidiary, the company has taken advantage of the exemption available and not disclosed details of transactions with other group companies.

12 PARENT UNDERTAKINGS AND CONTROLLING PARTIES

The company is controlled by Takoradi Limited.

The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is Takoradi Limited, a company incorporated in the state of Victoria, Australia. Consolidated accounts are available by conducting a company search in Australia.

In the opinion of the directors this is the company's ultimate parent company and ultimate controlling party.