

**TAKORADI GOLD (INTERNATIONAL) LIMITED**

Company Number 2065485

**ANNUAL REPORT**

**YEAR ENDED 30 JUNE 2009**

TUESDAY



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# **TAKORADI GOLD (INTERNATIONAL) LIMITED**

## **COMPANY INFORMATION**

**Directors** Rodney T Hudspeth  
Albert G Harris

**Secretary** Robert Blake

**Company Number** 2065485

**Auditors** 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 2009**

The directors submit their report and the financial statements for the year ended 30 June 2009

**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

C Kevin Dzang (Deceased - 29 December 2009)

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**

No Director has any material interest in contracts undertaken by either the Company or other group companies except for both Mr R T Hudspeth, who is employed by a management company under contract to the group of companies and Mr A G Harris to provide management advice

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 directors at the time when this Director's 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

**Auditors**

The resolution to re-appoint the auditors, PKF (UK) LLP, will be proposed at the Annual General Meeting

The report of the directors has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

This report was approved by the board of directors on 30 March 2010 and signed on behalf of the board by

  
R. T. Hudspeth Director

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

**Statement of Directors' Responsibilities**

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 estimates that are reasonable and prudent,
- 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 and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 auditors' 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 2009 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 the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to smaller entities).

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the 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 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**

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.

**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 2009 and of its result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities, 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 qualified, 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 incurred a net loss of A\$ nil during the year ended 30 June 2009 and, at that date, the company's current liabilities exceeded its total assets by A\$2,553,515. 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 auditors' 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 prepare the financial statements and the directors' report in accordance with the small companies regime



David Pomfret (Senior statutory auditor)  
for and on behalf of PKF (UK) LLP, Statutory auditors

London, UK  
Date

30 March 2010

**TAKORADI GOLD (INTERNATIONAL) LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30 JUNE 2009**

	Notes	2009 A\$	2008 A\$
Distribution costs		-	-
Administrative expenses		-	-
		<hr/>	<hr/>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>2</b>	<hr/> -	<hr/> -
		<hr/>	<hr/>



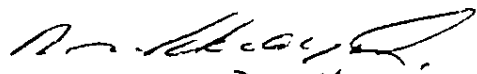
**TAKORADI GOLD (INTERNATIONAL) LIMITED**  
**COMPANY NUMBER. 2065485**  
**BALANCE SHEET**  
**30 JUNE 2009**

	Notes	2009 A\$	2008 A\$
<b>FIXED ASSETS</b>			
Intangible	4	16,548	16,548
Investments	5	1	1
		<u>16,549</u>	<u>16,549</u>
<b>CURRENT ASSETS</b>			
Cash at bank and in hand		222	222
		<u>222</u>	<u>222</u>
<b>CREDITORS: amounts falling due within one year</b>	6	(3,000)	(3,000)
<b>NET CURRENT LIABILITIES</b>		<u>(2,778)</u>	<u>(2,778)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>13,771</u>	<u>13,771</u>
<b>CREDITORS: amounts falling due after more than one year</b>	7	(2,567,286)	(2,567,286)
<b>NET LIABILITIES</b>		<u>(2,553,515)</u>	<u>(2,553,515)</u>
<b>CAPITAL AND RESERVES</b>			
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 financial statements have been prepared in accordance with the special provisions relating to Companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the board and authorised for issue on 30 March 2010

Signed on behalf of the board of directors

  
Director R.T. KUSI

**TAKORADI GOLD (INTERNATIONAL) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2009**

**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 the Financial Reporting Standard for Smaller Entities (effective April 2008)

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

**(b) Accounting basis**

The company balance sheet shows that liabilities exceed assets by A\$2,553,515 (2008 A\$2,553,515) including a liability of A\$2,567,286 (2008 A\$2,567,286) to the ultimate parent undertaking, Takoradi Limited. 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 confirmed support of its own shareholders and private investors. This company is therefore dependent on Takoradi Limited's ability to continue as a going concern. The financial statements of the company have been drawn up on a going concern basis.

**(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 2009 was £1 to A\$2.0523.

**(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 2009**

**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 LOSS**

The operating loss is stated after charging

	2009 A\$	2008 A\$
Audit fees	-	-

No directors received any emoluments (2008 – 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\$
<b>Cost</b>		
At 1 July 2008 and 30 June 2009	16,548	16,548
<b>Amortisation</b>		
At 1 July 2008 and 30 June 2009	-	-
<b>Net book amount</b>		
At 30 June 2009	16,548	16,548
At 30 June 2008	16,548	16,548

The company's mining tenements were reviewed by the directors as at 30 June 2003. 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 2009**

**5 FIXED ASSET INVESTMENTS**

	A\$
<b>Cost</b>	
At 1 July 2008 and 30 June 2009	2,416,277
<b>Provisions</b>	
At 1 July 2008 and 30 June 2009	2,416,276
<b>Net book amount</b>	
At 30 June 2009	1
At 30 June 2008	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	
				2009 A\$	2008 A\$	2009 A\$	2008 A\$
Takoradi (Gold) Ghana Ltd	UK	Ord	100	(333,896)	(401,546)	(11,049,276)	(10,715,380)
Northern Goldfields Limited	Ghana	Ord	72	(580,888)	(1,094,127)	(5,426,332)	(3,830,614)

Both companies undertake exploration for gold

**6 CREDITORS.**

**Amounts falling due within one year**

	2009 A\$	2008 A\$
Other creditors	3,000	3,000

**7 CREDITORS:**

**Amounts falling due after more than one year**

	2009 A\$	2008 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 2009**

**8 SHARE CAPITAL**

	Allotted, called up and fully paid	
	No	A\$
At 1 July 2008 and 30 June 2009 Ordinary shares of £1 each	100	222

**9 RESERVES**

	A\$
<b>Profit and loss account</b>	
At 1 July 2008	(2,553,737)
Loss for the year	-
At 30 June 2009	(2,553,737)

**10 CONTINGENT LIABILITIES**

The Company is currently in negotiation with the Executrix of the Estate of George Blay Kwofie in respect to the Insamankaw Joint Venture Agreement which has terminated. The issues being negotiated are

- (a) the amount outstanding for payment,
- (b) renewal of the Joint Venture Agreement for an additional period.

**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 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.