COMPANY REGISTRATION NUMBER: 02933551

Welsh Gold plc

Financial Statements

31 December 2016

FRANCIS GRAY
Chartered accountant & statutory auditor
Ty Madog
32 Queens Road
Aberystwyth
Ceredigion, SY23 2HN

Welsh Gold plc

Financial Statements

Year ended 31 December 2016

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Officers and Professional Advisers

The board of directors	R Phelps J Phelps N Smythe
Company secretary	R Phelps
Registered office	First Floor 3A St Kildas Road Harrow Middlesex HA1 1QD
Auditor	Francis Gray Chartered accountant & statutory auditor Ty Madog 32 Queens Road Aberystwyth Ceredigion, SY23 2HN
Bankers	Barclays Bank plc Willesden & Nottinghill Group PO Box 3750 London NW10 6AQ

Welsh Gold plc

Strategic Report

Year ended 31 December 2016

The Company did not trade during the year under review and has attempted to keep it's running expenses to the minimum required for it's day to day administration. There is no intention to resume trade in the future.

It is the Directors' intention to distribute the reserves of the Company to the shareholders after having settled all creditors. The Company will then be disolved.

This report was approved by the board of directors on 15 June 2017 and signed on behalf of the board by:

R Phelps
Director

Registered office:
First Floor 3A
St Kildas Road
Harrow
Middlesex
HA1 1QD

Welsh Gold plc

Directors' Report

Year ended 31 December 2016

The directors present their report and the financial statements of the company for the year ended 31 December 2016.

Directors

The directors who served the company during the year were as follows:

R Phelps
J Phelps
N Smythe

Dividends

The directors do not recommend the payment of a dividend.

Disclosure of information in the strategic report

The Company did not trade during the year and the Directors do not envisage that it will trade in the future. The ongoing administrative costs of running the Company are being kept to a minimum with a view to making a full distribution of reserves to shareholders once outstanding creditors have been settled. Application will then be made to Companies House to have the Company disolved.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 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;
- 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 15 June 2017 and signed on behalf of the board by:

R. Phelps

R Phelps
Director

Registered office:
First Floor 3A
St Kildas Road
Harrow
Middlesex
HA1 1QD

Welsh Gold plc

Independent Auditor's Report to the Members of Welsh Gold plc

Year ended 31 December 2016

We have audited the financial statements of Welsh Gold plc for the year ended 31 December 2016 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 31 December 2016 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Welsh Gold plc

Independent Auditor's Report to the Members of Welsh Gold plc *(continued)*

Year ended 31 December 2016

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.

Robert Gray (Senior Statutory Auditor)

For and on behalf of
Francis Gray
Chartered accountant & statutory auditor
Ty Madog
32 Queens Road
Aberystwyth
Ceredigion, SY23 2HN

15 June 2017

Welsh Gold plc

Statement of Comprehensive Income

Year ended 31 December 2016

	Note	2016 £	2015 £
Administrative expenses		3,756	4,920
Operating loss		**(3,756)**	(4,920)
Other interest receivable and similar income		4,374	906
Profit/(loss) before taxation		**618**	(4,014)
Tax on profit/(loss)		–	–
Profit/(loss) for the financial year		**618**	(4,014)
Revaluation of tangible assets		1,974	7,502
Total comprehensive income for the year		**2,592**	3,488

All the activities of the company are from continuing operations.

The notes on pages 11 to 14 form part of these financial statements.

Welsh Gold plc

Statement of Financial Position

31 December 2016

	Note	2016 £	2016 £	2015 £
Fixed assets				
Investments	5		–	62,561
Current assets				
Debtors	6	545		91
Cash at bank and in hand		614,685		549,986
		615,230		550,077
Creditors: amounts falling due within one year	7	11,900		11,900
Net current assets			603,330	538,177
Total assets less current liabilities			603,330	600,738
Net assets			603,330	600,738
Capital and reserves				
Called up share capital	8		1,128,175	1,128,175
Share premium account	9		960,986	960,986
Revaluation reserve	9		–	12,561
Profit and loss account	9		(1,485,831)	(1,500,984)
Members funds			603,330	600,738

These financial statements were approved by the board of directors and authorised for issue on 15 June 2017, and are signed on behalf of the board by:

R Phelps
Director

Company registration number: 02933551

The notes on pages 11 to 14 form part of these financial statements.

Welsh Gold plc

Statement of Changes in Equity

Year ended 31 December 2016

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	**Total**
	£	£	£	£	£
At 1 January 2015	1,128,175	960,986	5,059	(1,496,970)	597,250
Loss for the year				(4,014)	(4,014)
Other comprehensive income for the year:					
Revaluation of tangible assets	–	–	7,502	–	7,502
Total comprehensive income for the year	–	–	7,502	(4,014)	3,488
At 31 December 2015	1,128,175	960,986	12,561	(1,500,984)	**600,738**
Profit for the year				618	**618**
Other comprehensive income for the year:					
Revaluation of tangible assets	–	–	1,974	–	**1,974**
Reclassification from revaluation reserve to profit and loss account	–	–	(14,535)	14,535	–
Total comprehensive income for the year	–	–	(12,561)	15,153	**2,592**
At 31 December 2016	1,128,175	960,986	–	(1,485,831)	**603,330**

The notes on pages 11 to 14 form part of these financial statements.

Welsh Gold plc

Statement of Cash Flows

Year ended 31 December 2016

	2016 £	2015 £
Cash flows from operating activities		
Profit/(loss) for the financial year	**618**	(4,014)
Adjustments for:		
Other interest receivable and similar income	**(4,374)**	(906)
Accrued expenses	**–**	300
Changes in:		
Trade and other debtors	**(454)**	(7)
Cash generated from operations	**(4,210)**	(4,627)
Interest received	**4,374**	906
Net cash from/(used in) operating activities	**164**	(3,721)
Cash flows from investing activities		
Proceeds from sale of other investments	**64,535**	–
Net cash from investing activities	**64,535**	–
Cash flows from financing activities		
Proceeds from borrowings	**–**	1,190
Net cash from financing activities	**–**	1,190
Net increase/(decrease) in cash and cash equivalents	**64,699**	(2,531)
Cash and cash equivalents at beginning of year	**549,986**	552,517
Cash and cash equivalents at end of year	**614,685**	549,986

The notes on pages 11 to 14 form part of these financial statements.

Welsh Gold plc

Notes to the Financial Statements

Year ended 31 December 2016

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is First Floor 3A, St Kildas Road, Harrow, Middlesex, HA1 1QD.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Auditor's remuneration

	2016	2015
	£	£
Fees payable for the audit of the financial statements	**2,400**	2,400

5. Investments

	Other investments other than loans
	£
Cost	
At 1 January 2016	**62,561**
Disposals	**(68,584)**
Revaluations	**6,023**
At 31 December 2016	**–**
Impairment	
At 1 Jan 2016 and 31 Dec 2016	**–**
Carrying amount	
At 31 December 2016	**–**
At 31 December 2015	62,561

6. Debtors

	2016	2015
	£	£
Other debtors	545	91

7. Creditors: amounts falling due within one year

	2016	2015
	£	£
Accruals and deferred income	2,500	2,500
Director loan accounts	9,400	9,400
	11,900	11,900

8. Called up share capital

Authorised share capital

	2016		2015	
	No.	£	No.	£
Ordinary shares of £0.10 each	25,000,000	2,500,000	25,000,000	2,500,000

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £0.10 each	11,281,750	1,128,175	11,281,750	1,128,175

9. Reserves

Called-up share capital - represents the nominal value of shares that have been issued.

Share premium account - includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Revaluation reserve - represents the excess of the value of investments at the balance sheet date over their original cost when purchased.

Profit and loss account - includes all current and prior period retained profits and losses.

10. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

	2016		
	Balance brought forward	Advances/ (credits) to the directors	**Balance outstanding**
	£	£	**£**
R Phelps	(9,400)	–	**(9,400)**

	2015		
	Balance brought forward	Advances/ (credits) to the directors	Balance outstanding
	£	£	£
R Phelps	(8,210)	(1,190)	(9,400)

11. Related party transactions

The company was under the control of Mr Roland Phelps throughout the current and previous year. Mr Roland Phelps is the Managing Director and Chairman.

The Chairman Mr Roland Phelps is also a director of Galantas Gold Corporation, a company in which Welsh Gold plc had a large investment of shares. The shareholding was disposed of, in the open market, during the year. The movements on the investment during the year were as follows:

	2016	2015
	£	£
Investment at fair value brought forward	**62,561**	55,029
Revaluation in year	**6,023**	7,502
Disposal proceeds	**(68,584)**	
Investment at fair value carried forward	**–**	62,531

The balance of £14,535 on the revaluation reserve which related to the Galantas investment was transferred to the profit and loss reserve on the realisation of the investment.

Welsh Gold plc

Management Information

Year ended 31 December 2016

The following pages do not form part of the financial statements.

Welsh Gold plc

Detailed Income Statement

Year ended 31 December 2016

	2016 £	2015 £
Overheads		
Administrative expenses	**3,756**	4,920
Operating loss	**3,756**	4,920
Other interest receivable and similar income	**4,374**	906
Profit/(loss) before taxation	**(618)**	4,014

Welsh Gold plc

Notes to the Detailed Income Statement

Year ended 31 December 2016

	2016 £	2015 £
Administrative expenses		
Computer & website costs	–	15
Printing postage and stationery	–	1,038
Legal and professional fees (allowable)	**1,316**	1,342
Auditors remuneration	**2,400**	2,500
Bank charges	**40**	25
	3,756	4,920
Other interest receivable and similar income		
Interest on cash and cash equivalents	**4,374**	906