

COMPANY REGISTRATION NUMBER: 02933551

**Welsh Gold Plc**  
**Financial Statements**  
**31 December 2017**

**FRANCIS GRAY**

Chartered accountant & statutory auditor

Ty Madog  
32 Queens Road  
Aberystwyth  
Ceredigion  
SY23 2HN



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**Welsh Gold Plc**  
**Financial Statements**  
**Year ended 31 December 2017**

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# **Welsh Gold Plc**

## **Officers and Professional Advisers**

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

# Welsh Gold Plc

## Strategic Report

**Year ended 31 December 2017**

The Company did not trade during the year under review and has attempted to keep its running expenses to the minimum required for its 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 dissolved.

This report was approved by the board of directors on 23 March 2018 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'R. Phelps'.

Mr R Phelps  
Director

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

**Welsh Gold Plc**  
**Directors' Report**  
**Year ended 31 December 2017**

The directors present their report and the financial statements of the company for the year ended 31 December 2017.

**Directors**

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

Mr R Phelps  
Ms J Phelps  
Mr N F 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 dissolved.

**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.

# Welsh Gold Plc

## Directors' Report *(continued)*

Year ended 31 December 2017

### 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 23 March 2018 and signed on behalf of the board by:



Mr 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 2017**

### **Opinion**

We have audited the financial statements of Welsh Gold Plc (the 'company') for the year ended 31 December 2017 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# **Welsh Gold Plc**

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

**Year ended 31 December 2017**

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

### **Responsibilities of directors**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



# Welsh Gold Plc

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

**Year ended 31 December 2017**

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Welsh Gold Plc

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

**Year ended 31 December 2017**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads "Robert Gray". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

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

23 March 2018

**Welsh Gold Plc**  
**Statement of Comprehensive Income**  
**Year ended 31 December 2017**

	Note	2017 £	2016 £
Administrative expenses		<u>3,738</u>	<u>3,756</u>
<b>Operating loss</b>	<b>4</b>	<b>(3,738)</b>	<b>(3,756)</b>
Other interest receivable and similar income	<b>6</b>	<u>—</u>	<u>4,374</u>
<b>(Loss)/profit before taxation</b>		<b>(3,738)</b>	<b>618</b>
Tax on (loss)/profit		<u>—</u>	<u>—</u>
<b>(Loss)/profit for the financial year</b>		<b><u>(3,738)</u></b>	<b><u>618</u></b>
Revaluation of tangible assets		<u>—</u>	<u>1,974</u>
<b>Total comprehensive income for the year</b>		<b><u>(3,738)</u></b>	<b><u>2,592</u></b>

All the activities of the company are from continuing operations.

The notes on pages 13 to 15 form part of these financial statements.

**Welsh Gold Plc**  
**Statement of Financial Position**  
**31 December 2017**

	Note	2017 £	2016 £
<b>Current assets</b>			
Debtors	7	66	545
Cash at bank and in hand		<u>614,258</u>	<u>614,685</u>
		<b>614,324</b>	<b>615,230</b>
<b>Creditors: amounts falling due within one year</b>	8	<u>14,732</u>	<u>11,900</u>
<b>Net current assets</b>		<b>599,592</b>	<b>603,330</b>
<b>Total assets less current liabilities</b>		<b>599,592</b>	<b>603,330</b>
<b>Net assets</b>		<u><b>599,592</b></u>	<u><b>603,330</b></u>
<b>Capital and reserves</b>			
Called up share capital	9	1,128,175	1,128,175
Share premium account	10	960,986	960,986
Profit and loss account	10	<u>(1,489,569)</u>	<u>(1,485,831)</u>
<b>Shareholders funds</b>		<u><b>599,592</b></u>	<u><b>603,330</b></u>

These financial statements were approved by the board of directors and authorised for issue on 23 March 2018, and are signed on behalf of the board by:



Mr R Phelps  
Director

Company registration number: 02933551

The notes on pages 13 to 15 form part of these financial statements.

**Welsh Gold Plc**  
**Statement of Changes in Equity**  
**Year ended 31 December 2017**

	Called up share capital £	Share premium account £	Revaluation reserve £	Profit and loss account £	<b>Total £</b>
<b>At 1 January 2016</b>	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	—
<b>Total comprehensive income for the year</b>	—	—	(12,561)	15,153	2,592
<b>At 31 December 2016</b>	1,128,175	960,986	—	(1,485,831)	<b>603,330</b>
Loss for the year				(3,738)	<b>(3,738)</b>
<b>Total comprehensive income for the year</b>	—	—	—	(3,738)	<b>(3,738)</b>
<b>At 31 December 2017</b>	<u>1,128,175</u>	<u>960,986</u>	<u>—</u>	<u>(1,489,569)</u>	<u><b>599,592</b></u>

The notes on pages 13 to 15 form part of these financial statements.

**Welsh Gold Plc**  
**Statement of Cash Flows**  
**Year ended 31 December 2017**

	2017 £	2016 £
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(3,738)	618
<i>Adjustments for:</i>		
Other interest receivable and similar income	—	(4,374)
<i>Changes in:</i>		
Trade and other debtors	479	(454)
Trade and other creditors	2,832	—
Cash generated from operations	(427)	(4,210)
Interest received	—	4,374
Net cash (used in)/from operating activities	(427)	164
<b>Cash flows from investing activities</b>		
Proceeds from sale of other investments	—	64,535
Net cash from investing activities	—	64,535
<b>Net (decrease)/increase in cash and cash equivalents</b>	(427)	64,699
<b>Cash and cash equivalents at beginning of year</b>	614,685	549,986
<b>Cash and cash equivalents at end of year</b>	614,258	614,685

The notes on pages 13 to 15 form part of these financial statements.

**Welsh Gold Plc**  
**Notes to the Financial Statements**  
**Year ended 31 December 2017**

**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.

**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.

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.

# Welsh Gold Plc

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

### 3. Accounting policies *(continued)*

#### Financial instruments *(continued)*

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. Operating profit

Operating profit or loss is stated after charging:

2017	2016
£	£

### 5. Auditor's remuneration

2017	2016
£	£
Fees payable for the audit of the financial statements	
<u>2,360</u>	<u>2,400</u>

### 6. Other interest receivable and similar income

2017	2016
£	£
Interest on cash and cash equivalents	
<u>—</u>	<u>4,374</u>

### 7. Debtors

2017	2016
£	£
Other debtors	
<u>66</u>	<u>545</u>

### 8. Creditors: amounts falling due within one year

2017	2016
£	£
Trade creditors	—
Accruals and deferred income	2,500
Director loan accounts	9,400
<u>9,400</u>	<u>9,400</u>
<u>14,732</u>	<u>11,900</u>

### 9. Called up share capital

#### Authorised share capital

	2017		2016	
	No.	£	No.	£
Ordinary shares of £0.10 each	<u>25,000,000</u>	<u>2,500,000</u>	<u>25,000,000</u>	<u>2,500,000</u>



# Welsh Gold Plc

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

### 9. Called up share capital *(continued)*

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary shares of £0.10 each	<u>11,281,750</u>	<u>1,128,175</u>	<u>11,281,750</u>	<u>1,128,175</u>

### 10. 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.

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

### 11. Directors' advances, credits and guarantees

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

	<b>Balance brought forward and outstanding</b>	
	2017	2016
	£	£
Mr R Phelps	<u>(9,400)</u>	<u>(9,400)</u>

### 12. 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 December 2016 year.

**Welsh Gold Plc**  
**Detailed Income Statement**  
**Year ended 31 December 2017**

	2017 £	2016 £
<b>Overheads</b>		
Administrative expenses	<b>3,738</b>	3,756
	<u>(3,738)</u>	<u>(3,756)</u>
<b>Operating loss</b>		
Other interest receivable and similar income	–	4,374
	<u>(3,738)</u>	<u>618</u>
<b>(Loss)/profit before taxation</b>		

## Welsh Gold Plc

### Notes to the Detailed Income Statement

Year ended 31 December 2017

	2017 £	2016 £
<b>Administrative expenses</b>		
Legal and professional fees (allowable)	1,337	1,316
Auditors remuneration	2,360	2,400
Bank charges	41	40
	<u>3,738</u>	<u>3,756</u>
 <b>Other interest receivable and similar income</b>		
Interest on cash and cash equivalents	<u>—</u>	<u>4,374</u>