

**PHIGOLD MINING LIMITED**

**DIRECTORS' REPORT  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

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COMPANIES HOUSE

## **PHIGOLD MINING LIMITED**

### **COMPANY INFORMATION**

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<b>DIRECTORS</b>	A Mullins D Thompson J Apostol
<b>COMPANY SECRETARY</b>	Mr D M Thompson
<b>COMPANY NUMBER</b>	06425885
<b>REGISTERED OFFICE</b>	Thames House Portsmouth Road Esher Surry KT10 9AD

**PHIGOLD MINING LIMITED**

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## **PHIGOLD MINING LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011**

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The directors present their report and the financial statements for the year ended 31 December 2011

#### **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 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.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company is that of an investment company. On 23 February 2011 the company transferred its investment in PMOI to the ultimate parent undertaking, Phigold Limited.

#### **BUSINESS REVIEW**

The directors recommend no dividend to be paid (2010 - \$nil)

#### **RESULTS**

The loss for the year, after taxation, amounted to \$3,541 (2010 - profit \$157,947)

#### **DIRECTORS**

The directors who served during the year were

A Mullins  
D Thompson  
J Apostol

## **PHIGOLD MINING LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011**

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#### **PROVISION OF INFORMATION TO AUDITORS**

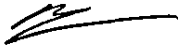
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are 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 auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

#### **AUDITORS**

The auditors, haysmacintyre, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 14 March 2012 and signed on its behalf



**A Mullins**  
Director

## **PHIGOLD MINING LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PHIGOLD MINING LIMITED**

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We have audited the financial statements of Phigold Mining Limited for the year ended 31 December 2011, set out on pages 5 to 10. 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 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 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 Directors' 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 31 December 2011 and of its loss 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**PHIGOLD MINING LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PHIGOLD MINING LIMITED**

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**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



Ian Cliffe (Senior statutory auditor)

for and on behalf of  
**haysmacintyre**

Statutory Auditors

Fairfax House  
15 Fulwood Place  
London  
WC1V 6AY

14 March 2012

**PHIGOLD MINING LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2011**

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	Note	2011 \$	2010 \$
Administrative expenses		<u>(3,541)</u>	<u>(2,015)</u>
<b>OPERATING LOSS</b>	2	<u>(3,541)</u>	<u>(2,015)</u>
Interest receivable and similar income		<u>-</u>	<u>159,962</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>(3,541)</u>	<u>157,947</u>
Tax on (loss)/profit on ordinary activities	4	<u>-</u>	<u>-</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>	9	<u><u>(3,541)</u></u>	<u><u>157,947</u></u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account

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



**PHIGOLD MINING LIMITED**  
**REGISTERED NUMBER: 06425885**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2011**

	Note	2011	2010
		\$	\$
<b>FIXED ASSETS</b>			
Investments	5	-	578,474
<b>CURRENT ASSETS</b>			
Debtors	6	3,916,641	3,425,694
Cash at bank		65,413	1,076
		<u>3,982,054</u>	<u>3,426,770</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,982,054</u>	<u>4,005,244</u>
<b>CREDITORS:</b> amounts falling due after more than one year	7	(3,570,979)	(3,590,628)
<b>NET ASSETS</b>		<u>411,075</u>	<u>414,616</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	6,415	6,415
Profit and loss account	9	404,660	408,201
<b>SHAREHOLDERS' FUNDS</b>	10	<u>411,075</u>	<u>414,616</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 March 2012

  
**A Mullins**  
 Director

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

## **PHIGOLD MINING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011**

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#### **1. ACCOUNTING POLICIES**

##### **1.1 Basis of preparation of financial statements**

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

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of Section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The financial statements have been prepared in US Dollars as this is the group's functional currency.

##### **1.2 Going concern**

During the year the company transferred its investment in PMOI to the ultimate parent undertaking, Phigold Limited.

The financial statements have been prepared on a going concern basis, the applicability of which is dependent on the continuous support of its ultimate parent undertaking.

##### **1.3 Cash flow**

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

##### **1.4 Investments**

Investments held as fixed assets are shown at cost less provision for impairment.

##### **1.5 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

**PHIGOLD MINING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into dollars at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into dollars at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

**2. OPERATING LOSS**

The operating loss is stated after charging/(crediting)

	2011 \$	2010 \$
Difference on foreign exchange	3,355	(1,929)

**3. STAFF COSTS**

The company has no employees other than the directors, who did not receive any remuneration (2010 - \$NIL)

**4. TAXATION**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2010 - lower than) the standard rate of corporation tax in the UK of 26% (2010 - 28%) The differences are explained below

	2011 \$	2010 \$
(Loss)/profit on ordinary activities before tax	(3,541)	157,947
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2010 - 28%)	(921)	44,225
<b>Effects of.</b>		
Utilisation of tax losses	921	(44,225)
<b>Current tax charge for the year (see note above)</b>	-	-

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges

**PHIGOLD MINING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**5. FIXED ASSET INVESTMENTS**

	Investments in associates \$
<b>Cost or valuation</b>	
At 1 January 2011	578,474
Transfers intra group	(578,474)
	<u>-</u>
At 31 December 2011	<u>-</u>
<b>Net book value</b>	
At 31 December 2011	<u>-</u>
	<u>578,474</u>
At 31 December 2010	<u>578,474</u>

The investment in associate was transferred to Phigold Ltd at its net book value

**6. DEBTORS**

	2011 \$	2010 \$
Amounts owed by group undertakings	3,908,272	-
Amounts owed by undertakings in which the company has a participating interest	-	3,420,678
Other debtors	5,016	5,016
Prepayments and accrued income	3,353	-
	<u>3,916,641</u>	<u>3,425,694</u>

**7. CREDITORS:**

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

	2011 \$	2010 \$
Amounts owed to group undertakings	3,570,979	3,590,628
	<u>3,570,979</u>	<u>3,590,628</u>

Creditors include amounts not wholly repayable within 5 years as follows

	2011 \$	2010 \$
Repayable by instalments	3,570,979	3,590,628
	<u>3,570,979</u>	<u>3,590,628</u>

Loans from the parent company are interest free

**PHIGOLD MINING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

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**8. SHARE CAPITAL**

	2011 \$	2010 \$
<b>Allotted, called up and fully paid</b>		
3,270,000 Ordinary shares of £0 001 each	<u>6,415</u>	<u>6,415</u>

**9. RESERVES**

	Profit and loss account \$
At 1 January 2011	408,201
Loss for the year	(3,541)
At 31 December 2011	<u>404,660</u>

**10 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2011 \$	2010 \$
Opening shareholders' funds	414,616	256,669
(Loss)/profit for the year	<u>(3,541)</u>	<u>157,947</u>
Closing shareholders' funds	<u>411,075</u>	<u>414,616</u>

**11. RELATED PARTY TRANSACTIONS**

As the company is a wholly owned subsidiary of Phigold Plc, which prepares consolidated financial statements, it has taken advantage of the exemptions contained in FRS 8 'Related Party Disclosures' and has therefore not disclosed transactions of balances with entities which form part of the group

**12 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The ultimate parent undertaking is Phigold Limited, a company registered in the Cayman Islands