

**REGISTERED NUMBER: 06895552 (England and Wales)**

**Report of the Directors and  
Consolidated Financial Statements  
for the Year Ended 31 December 2015  
for  
Hycroft (UK) Limited**

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**Hycroft (UK) Limited (Registered number: 06895552)**

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for the year ended 31 December 2015**

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**Hycroft (UK) Limited**  
**Company Information**  
**for the year ended 31 December 2015**

**DIRECTORS:**

J Calder  
D Miller  
H L Oakes Jnr  
S Myers  
C R Cooke

**REGISTERED OFFICE:**

1 Charterhouse Mews  
London  
EC1M 6BB

**REGISTERED NUMBER:**

06895552 (England and Wales)

**AUDITORS:**

Anstey Bond LLP  
1-2 Charterhouse Mews  
London  
EC1M 6BB

**Report of the Directors  
for the year ended 31 December 2015**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2015.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2015 to the date of this report.

J Calder  
D Miller  
H L Oakes Jnr  
S Myers

Other changes in directors holding office are as follows:

L Boston - resigned 24 September 2015

C R Cooke was appointed as a director after 31 December 2015 but prior to the date of this report.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**AUDITORS**

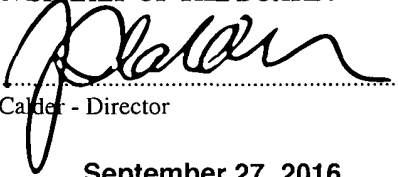
The auditors, Anstey Bond LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**Hycroft (UK) Limited (Registered number: 06895552)**

**Report of the Directors  
for the year ended 31 December 2015**

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

  
.....  
J Calder - Director

Date: **September 27, 2016**  
.....

## **Report of the Independent Auditors to the Members of Hycroft (UK) Limited**

We have audited the financial statements of Hycroft (UK) Limited for the year ended 31 December 2015 on pages six to fourteen which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Cash Flow 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 January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the group'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 group's members those matters we are required to state to them in a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page two, 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 group's and the parent 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 Report of the Directors 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 group's and of the parent company's affairs as at 31 December 2015 and of the group's profit 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of  
Hycroft (UK) Limited**

**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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Group Strategic Report or in preparing the Report of the Directors.

Anstey Bond LLP.

Colin Ellis FCCA CF (Senior Statutory Auditor)  
for and on behalf of Anstey Bond LLP  
1-2 Charterhouse Mews  
London  
EC1M 6BB

Date: 27/9/2016

**Hycroft (UK) Limited (Registered number: 06895552)**

**Consolidated Profit and Loss Account  
for the year ended 31 December 2015**

	Notes	2015 £	2014 £
<b>TURNOVER</b>		228,578	8,254
Administrative expenses		<u>(224,176)</u>	<u>(199,736)</u>
		4,402	(191,482)
Other operating income		<u>67,656</u>	<u>133,877</u>
<b>OPERATING PROFIT/(LOSS) and PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	72,058	(57,605)
Tax on profit/(loss) on ordinary activities	3	<u>7,917</u>	<u>(1,337)</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR FOR THE GROUP</b>		<u>79,975</u>	<u>(58,942)</u>

The notes form part of these financial statements



Hycroft (UK) Limited (Registered number: 06895552)

Consolidated Balance Sheet  
31 December 2015

	Notes	2015 £	2014 £
<b>FIXED ASSETS</b>			
Tangible assets	5	-	27
Investments	6	-	-
		-	27
<b>CURRENT ASSETS</b>			
Debtors	7	193,938	158,113
Cash at bank		<u>231,670</u>	<u>111,575</u>
		425,608	269,688
<b>CREDITORS</b>			
Amounts falling due within one year	8	<u>507,305</u>	<u>476,762</u>
<b>NET CURRENT LIABILITIES</b>		<u>(81,697)</u>	<u>(207,074)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(81,697)	(207,047)
<b>CREDITORS</b>			
Amounts falling due after more than one year	9	<u>45,375</u>	-
<b>NET LIABILITIES</b>		<u>(127,072)</u>	<u>(207,047)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	1	1
Profit and loss account	11	<u>(127,073)</u>	<u>(207,048)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>(127,072)</u>	<u>(207,047)</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Directors on 27/12/2016 and were signed on its behalf by:

  
J Calder - Director

The notes form part of these financial statements

Hycroft (UK) Limited (Registered number: 06895552)

Company Balance Sheet  
31 December 2015

	Notes	2015 £	2014 £
<b>FIXED ASSETS</b>			
Tangible assets	5	-	-
Investments	6	<u>400,000</u>	<u>400,000</u>
		400,000	400,000
<b>CURRENT ASSETS</b>			
Debtors	7	223,622	97,574
Cash at bank		<u>-</u>	<u>114</u>
		223,622	97,688
<b>CREDITORS</b>			
Amounts falling due within one year	8	<u>1,410,925</u>	<u>1,367,563</u>
<b>NET CURRENT LIABILITIES</b>		<u>(1,187,303)</u>	<u>(1,269,875)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(787,303)	(869,875)
<b>CREDITORS</b>			
Amounts falling due after more than one year	9	<u>45,375</u>	<u>-</u>
<b>NET LIABILITIES</b>		<u>(832,678)</u>	<u>(869,875)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	1	1
Profit and loss account	11	<u>(832,679)</u>	<u>(869,876)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>(832,678)</u>	<u>(869,875)</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Directors on 22/9/2016 and were signed on its behalf by:

  
J Calder - Director

The notes form part of these financial statements

**Hycroft (UK) Limited (Registered number: 06895552)**

**Cash Flow Statement  
for the year ended 31 December 2015**

	2015	2014
	£	£
<b>Cash generated from operations</b>		
Operating profit/(loss)	72,058	(57,605)
Reconciliation to cash generated from operations:		
Depreciation	27	244
Loss on disposal of fixed assets	-	276
Decrease in debtors	26,467	32,044
Increase in creditors	<u>21,543</u>	<u>50,121</u>
	120,095	25,080
<b>Cash from other sources</b>		
Sale of tangible fixed assets	<u>-</u>	<u>1,130</u>
	-	1,130
<b>Application of cash</b>		
Taxation paid	<u>-</u>	<u>(1,337)</u>
	-	(1,337)
<b>Net increase in cash</b>	120,095	24,873
Cash at bank less overdraft at beginning of year	<u>111,575</u>	<u>86,702</u>
<b>Cash at bank at end of year</b>	<u><u>231,670</u></u>	<u><u>111,575</u></u>

The notes form part of these financial statements

**Notes to the Consolidated Financial Statements  
for the year ended 31 December 2015**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

**Going concern**

As at the year end date the parent company, Hycroft LLC, have confirmed that they will continue to support the group. This should enable to group to continue in operational existence for the foreseeable future.

On this basis, it is considered appropriate to prepare the consolidated financial statements on a going concern basis.

**Turnover**

Turnover represents net invoiced sales of services, excluding value added tax.

**Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Equipment, furniture and fittings	20% straight line
Computer equipment	33% straight line

The carrying value of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Cash and cash equivalent**

In group's statement of cash flows, cash and cash equivalents includes cash on hand and deposits held at call with banks.

**2. OPERATING PROFIT/(LOSS)**

The operating profit (2014 - operating loss) is stated after charging/(crediting):

	2015	2014
	£	£
Depreciation - owned assets	27	244
Loss on disposal of fixed assets	-	276
Auditors' remuneration	8,200	8,200
Foreign exchange differences	<u>(78)</u>	<u>320</u>
Directors' remuneration and other benefits etc	<u>-</u>	<u>-</u>

**Hycroft (UK) Limited (Registered number: 06895552)**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2015**

**3. TAXATION**

**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the profit on ordinary activities for the year was as follows:

	2015 £	2014 £
Current tax:		
UK corporation tax	54,375	1,337
Deferred tax	<u>(62,292)</u>	<u>-</u>
Tax on profit/(loss) on ordinary activities	<u>(7,917)</u>	<u>1,337</u>

**4. PROFIT OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £37,197 (2014 - £(16,165) loss).

**5. TANGIBLE FIXED ASSETS**

**Group**

	Plant and machinery etc £
<b>COST</b>	
At 1 January 2015	4,115
Disposals	<u>(4,115)</u>
At 31 December 2015	<u>-</u>
<b>DEPRECIATION</b>	
At 1 January 2015	4,088
Charge for year	27
Eliminated on disposal	<u>(4,115)</u>
At 31 December 2015	<u>-</u>
<b>NET BOOK VALUE</b>	
At 31 December 2015	<u>-</u>
At 31 December 2014	<u>27</u>

Hycroft (UK) Limited (Registered number: 06895552)

Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2015

5. **TANGIBLE FIXED ASSETS - continued**

**Company**

	Plant and machinery etc £
<b>COST</b>	
At 1 January 2015	1,561
Disposals	<u>(1,561)</u>
At 31 December 2015	<u>-</u>
<b>DEPRECIATION</b>	
At 1 January 2015	1,561
Eliminated on disposal	<u>(1,561)</u>
At 31 December 2015	<u>-</u>
<b>NET BOOK VALUE</b>	
At 31 December 2015	<u><u>-</u></u>

6. **FIXED ASSET INVESTMENTS**

**Company**

	Unlisted investments £
<b>COST</b>	
At 1 January 2015 and 31 December 2015	<u>400,000</u>
<b>NET BOOK VALUE</b>	
At 31 December 2015	<u><u>400,000</u></u>
At 31 December 2014	<u><u>400,000</u></u>

7. **DEBTORS**

	<b>Group</b>		<b>Company</b>	
	2015 £	2014 £	2015 £	2014 £
Amounts falling due within one year:				
Trade debtors	-	28,113	-	-
Amounts owed by group undertakings	-	-	161,330	96,974
Other debtors	<u>146,046</u>	<u>33,538</u>	<u>14,400</u>	<u>600</u>
	<u><u>146,046</u></u>	<u><u>61,651</u></u>	<u><u>175,730</u></u>	<u><u>97,574</u></u>

**Hycroft (UK) Limited (Registered number: 06895552)**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2015**

**7. DEBTORS - continued**

	<b>Group</b>		<b>Company</b>	
	2015	2014	2015	2014
	£	£	£	£
Amounts falling due after more than one year:				
Other debtors	<u>47,892</u>	<u>96,462</u>	<u>47,892</u>	<u>-</u>
 Aggregate amounts	<u>193,938</u>	<u>158,113</u>	<u>223,622</u>	<u>97,574</u>

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2015	2014	2015	2014
	£	£	£	£
Bank loans and overdrafts	-	-	90	-
Trade creditors	754	33,245	-	3,136
Amounts owed to group undertakings	288,112	352,437	1,382,702	1,360,277
Taxation and social security	-	6,488	-	-
Other creditors	<u>218,439</u>	<u>84,592</u>	<u>28,133</u>	<u>4,150</u>
	<u>507,305</u>	<u>476,762</u>	<u>1,410,925</u>	<u>1,367,563</u>

**9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2015	2014	2015	2014
	£	£	£	£
Other creditors	<u>45,375</u>	<u>-</u>	<u>45,375</u>	<u>-</u>

**10. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2015	2014
			£	£
1	Ordinary	£1	<u>1</u>	<u>1</u>

**11. RESERVES**

<b>Group</b>		
		Profit and loss account £
At 1 January 2015		(207,048)
Profit for the year		<u>79,975</u>
At 31 December 2015		<u>(127,073)</u>

**Hycroft (UK) Limited (Registered number: 06895552)**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2015**

**11. RESERVES - continued**

**Company**

	Profit and loss account £
At 1 January 2015	(869,876)
Profit for the year	<u>37,197</u>
At 31 December 2015	<u>(832,679)</u>

**12. RELATED PARTY DISCLOSURES**

During the year, the group repaid Hycroft LLC for the amount of £64,325 (2014: (£87,427)).

As at December 2015, the balance due to Hycroft LLC was £288,112 (2014: £352,437).

Hycroft LLC, is a related party by virtue of being the ultimate parent undertaking of the group.

**13. PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY**

The company's immediate and ultimate parent undertaking and ultimate controlling party is Hycroft LLC, a company incorporated in the United States of America.

The largest and smallest group of undertakings from which group accounts are drawn up that include Hycroft UK Limited is that headed by Hycroft LLP.