

**MGM Gold Mining Plc**  
**REPORT AND FINANCIAL STATEMENTS**  
for the year ended  
30 April 2012



Company Registration No. 07228155

**MGM Gold Mining Plc**  
**REPORT AND FINANCIAL STATEMENTS**  
**For the year ended 30 April 2012**

---

<b>CONTENTS</b>	<b>page</b>
<b>Officers and professional advisors</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Statement of directors' responsibilities</b>	<b>3</b>
<b>Independent auditors' report</b>	<b>4</b>
<b>Profit and loss account</b>	<b>5</b>
<b>Balance sheet</b>	<b>6</b>
<b>Cashflow statement</b>	<b>7</b>
<b>Accounting policies</b>	<b>8</b>
<b>Notes to financial statements</b>	<b>9-12</b>

# MGM Gold Mining Plc

## OFFICERS AND PROFESSIONAL ADVISERS

---

### DIRECTORS

A Ayur  
Y Ippitsu  
T Otsuka  
N Jargalsaikhan

### SECRETARY

Gravitas Company Secretarial Services Limited

### REGISTERED OFFICE

2<sup>nd</sup> Floor  
Berkeley Square House  
Berkeley Square  
London  
W1J 6BD

### AUDITOR

Baker Tilly UK Audit LLP  
25 Farringdon Street  
London  
EC4A 4AB

# MGM Gold Mining Plc

## DIRECTORS' REPORT

---

The directors submit their report and the financial statements for the year ended 30 April 2012

### PRINCIPAL ACTIVITY

The principal activity of the company is gold mining development and gold trading

### RESULTS AND DIVIDENDS

The results for the financial year are set out in the profit and loss account on page 5 The financial position of the company at the year-end is shown in the balance sheet on page 6

The directors do not recommend the payment of a dividend

### DIRECTORS

The following directors have held office since 1 May 2011

A Ayur	
Y Ippitsu	
N Jargalsaikhan	
T Otsuka	
D Graham	(resigned 15 July 2011)
T Hosooka	(resigned 15 July 2011)
T Tsuji	(resigned 15 July 2011)

### POST BALANCE SHEET EVENTS

Mr Y Nayuki was appointed as a director on 4<sup>th</sup> July 2012

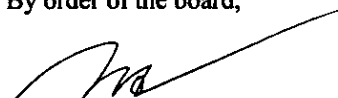
### AUDITORS

Baker Tilly UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each director has confirmed that they have taken all the steps they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor

By order of the board,



Y Ippitsu  
Director

3<sup>rd</sup> October 2012

# MGM Gold Mining Plc

## 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 period. 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 those financial statements, the directors are required to

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. 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.

# MGM Gold Mining Plc

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MGM GOLD MINING PLC

---

We have audited the financial statements on pages 5 to 12. 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 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 more fully explained in the Directors' Responsibilities Statement set out on page 3, 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 (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

### 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 April 2012 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 period 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 in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report

*Baker Tilly UK Audit LLP*

PAUL WATTS

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

3 October 2012

**MGM Gold Mining Plc**  
**PROFIT AND LOSS ACCOUNT**  
for the year ended 30 April 2012

---

		Year ended 30 April 2012 £	20 April 2010 to 30 April 2011 £
	Note		
TURNOVER		-	-
Administrative expenses	2	100,977	123,277
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>100,977</u>	<u>123,777</u>
Tax on loss on ordinary activities	3	-	-
LOSS FOR THE FINANCIAL PERIOD		<u>100,977</u>	<u>123,777</u>

All activities derive from continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

# MGM Gold Mining Plc

## BALANCE SHEET

as at 30 April 2012

	Note	2012	2011 £
<b>CURRENT ASSETS</b>			
Debtors – due within one year	4	23,055	-
– due after more than one year	5	518	-
Cash at bank and in hand		33,786	-
		<u>57,359</u>	<u>-</u>
 CREDITORS amounts falling due within one period	6	<u>(23,433)</u>	<u>(11,400)</u>
<b>NET CURRENT LIABILITIES</b>		<u>33,926</u>	<u>(11,400)</u>
 CREDITORS amounts falling due after more than one period	7	<u>-</u>	<u>(60,377)</u>
<b>NET ASSETS / (LIABILITIES)</b>		<u>33,926</u>	<u>(71,777)</u>
 <b>CAPITAL AND RESERVES</b>			
Called up share capital	8	51,616	51,500
Share premium account		206,564	-
Profit and loss account	9	<u>(224,254)</u>	<u>(123,277)</u>
<b>SHAREHOLDER'S FUNDS / (DEFICIT)</b>		<u>33,926</u>	<u>(71,777)</u>

Authorised and approved for issue by on behalf of the Board of Directors



Y Ippitsu  
Director  
3<sup>rd</sup> October 2012



**MGM Gold Mining Plc**  
**CASHFLOW STATEMENT**  
For the year ended 30 April 2012

---

	2012 £	2011 £
Cash flow from operating activities	(100,977)	(123,277)
(Decrease) / increase in creditors	(48,344)	71,777
(Increase) / decrease in debtors	(23,573)	-
Proceeds of share issue	206,680	51,500
	<u>33,786</u>	<u>-</u>
Opening cash balance	-	-
Net cash movement	33,786	-
	<u>33,786</u>	<u>-</u>
Closing cash balance		

---

# MGM Gold Mining Plc

## ACCOUNTING POLICIES

---

### 1. ACCOUNTING POLICIES

#### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention

#### FOREIGN CURRENCIES

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the date of the transaction. All differences are taken to the profit and loss account.

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and in hand and other short-term deposits held by the Company with maturities of less than three months.

#### TRADE RECEIVABLES

Trade receivables are classified as loans and receivables and are initially recognised at fair value. They are subsequently measured at their amortised cost using the effective interest method less any provision for impairment. The carrying value of the receivable is reduced through the use of an allowance account and any impairment loss is recognised in profit or loss.

#### TAX

Taxable profit differs from accounting profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the taxable profit nor the accounting profit.

# MGM Gold Mining Plc

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2012

---

### 2 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is stated after charging	2012	2011
	£	£
Auditor's remuneration for statutory audit	11,400	11,400

### 3 TAX ON LOSS ON ORDINARY ACTIVITIES

	2012	2011
Current tax	£	£
United Kingdom corporation tax on loss as of current year	-	-
Deferred tax	-	-

#### Factors affecting tax charge for the year

The difference between the current taxation shown above and the amount calculated by applying the standard rate of UK corporation tax for small companies of 20% (2011 21%) to the loss before tax is as follows

	2012	2011
		£
Loss on ordinary activities before tax	(224,254)	(123,277)
Tax on loss on ordinary activities before tax at 20% / 21%	(44,851)	(25,288)
Factors affecting charge for the period		
Losses carried forward	70,739	25,888
Current tax charge for the period	-	-

A deferred tax asset has not been recognised in respect of timing differences relating to tax losses as there is insufficient evidence that the asset will be recovered

# MGM Gold Mining Plc

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2012

---

### 4 DEBTORS amounts falling due within one period

	2012	2011
	£	£
Prepayments	23,055	-

---

### 5 DEBTORS amounts falling after more than one year

	2012	2011
	£	£
Guarantee deposits	518	-

---

### 6 CREDITORS amounts falling due within one period

	2012	2011
	£	£
Accruals and deferred income	23,433	11,400

---

### 7 CREDITORS amounts falling due after more than one period

	2012	2011
	£	£
Borrowings	-	60,377

---

### 8 CALLED UP SHARE CAPITAL

	2012	2011
	£	£
Allotted, issued and fully paid		
103,233,000 Ordinary shares of £0 0005	51,616	51,500

---

On 30 April 2012, a further 233,000 shares were issued to Triumviratus Inc and MGM Gold Japan Inc (since renamed as I HOLDINGS inc ) for capitalisation of their short and long term borrowings of £206,680 in total. These shares were issued at a premium of £206,564.

**MGM Gold Mining Plc**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 April 2012**

---

**9 COMBINED STATEMENT OF MOVEMENT IN SHAREHOLDER'S DEFICIT AND STATEMENT OF MOVEMENTS ON RESERVES**

	Share capital	Share premium	Profit and loss account	Total
	£	£	£	£
At 1 May 2011	51,500	-	(123,277)	(71,777)
Loss for the financial period	-	-	(100,977)	(100,977)
Issue of new shares	116	206,564	-	206,680
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2012	51,616	206,564	(224,254)	33,926
	<hr/>	<hr/>	<hr/>	<hr/>

**10. EMPLOYEES**

The average number of persons (including directors) employed by the Company during the year was	2012	2011
	No	No
	4	8
	<hr/>	<hr/>
In respect of the directors of MGM Gold Mining plc	2012	2011
	£	£
Emoluments	18,860	-
	<hr/>	<hr/>

The highest paid directors in the year ended 30 April 2012 are Toshiaki Otsuka and Yoshimi Ippitsu who received emoluments totalling £6,968 (2011 nil)

**11 ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

The Directors regard I Holdings Inc (formerly MGM Gold Japan Inc ), a company incorporated in Japan, as the ultimate parent of the company

**12 SIGNIFICANT POST BALANCE SHEET EVENTS**

Mr Y Nayuki was appointed as a director on 4 July 2012

**13 RELATED PARTY TRANSACTIONS**

On 30 April 2012, the short-term borrowings of £63,597 and the long-term borrowings of £62,382 from Trumviratus Inc and the short-term borrowings of £80,700 from MGM Gold Japan Inc (currently

# MGM Gold Mining Plc

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 April 2012

---

renamed as I HOLDINGS inc ) were capitalised to the company's shares as 143,000 shares for Triumviratus Inc and 90,000 shares for MGM Gold Japan Inc respectively