

FFYNONAU DUON MINES LIMITED  
FFYNONAU DUON, PENTWYN,  
FOCHRIW, BARGOED, MID-GLAM.

REPORT & FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30TH SEPTEMBER 1985.

(As Modified under Companies Act  
1985, Section 248 (i))

CONTENTS  
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PAGE  
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Report of the Auditors	1
Balance Sheet	2
Notes to the Financial Statements	3



FFYNONAU DUON MINES LIMITEDREPORT OF THE AUDITORS TO THE MEMBERS OF FFYNONAU DUON MINES LIMITED

We are not required to report as Auditors on the statutory Accounts of the Company.

In our opinion the Directors are correct in relying on the provisions of Companies Act 1985, Section 248 (i).

We would report that on the 17th April 1986 we reported to the Members of the Company in regard to the full Accounts and our report was as follows:-

"We have audited the Financial Statements on Pages 4 to 9. Our audit was conducted in accordance with approved Auditing Standards having regard to the matters referred to in the following paragraph.

In common with many businesses of similar size and organisation, the Company's system of control is dependent upon the close involvement of the Directors, (who are the shareholders). Where independent confirmation of the completeness of the accounting records was therefore not available, we have accepted assurances from the Directors that all the Company's transactions have been reflected in the records.

Subject to the foregoing, in our opinion the financial statements which have been prepared under the Historical Cost Convention, give a true and fair view of the state of the Company's affairs as at the 30th September 1985, and of its Profit and source and application of funds for the year then ended and comply with the Companies Acts 1985".

*Resting Purnell Moore*

RESTING, PURNELL & MOORE  
Chartered Accountants,  
Cymric Buildings,  
West Bute Street,  
Cardiff.  
CF1 5LL


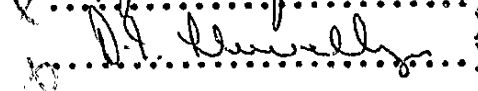
*April 17<sup>th</sup> 1986*

FFYNONAU DUON MINES LIMITEDBALANCE SHEETAS AT 30TH SEPTEMBER 1985.

	<u>1985</u>	<u>1984</u>
	<u>£</u>	<u>£</u>
FIXED ASSETS		
Tangible Assets	185,474	209,396
CURRENT ASSETS		
Stocks	113	113
Debtors	59,080	19,170
Investments	10,673	10,673
Cash at Bank and in Hand	<u>62,190</u>	<u>43,772</u>
TOTAL CURRENT ASSETS	<u>132,056</u>	<u>73,728</u>
CURRENT LIABILITIES		
AMOUNTS FALLING DUE		
WITHIN ONE YEAR:-		
Trade and Other Creditors	<u>204,422</u>	<u>208,613</u>
TOTAL CURRENT LIABILITIES	<u>204,422</u>	<u>208,613</u>
NET CURRENT LIABILITIES	<u>(72,366)</u>	<u>(134,885)</u>
NET ASSETS	<u>113,108</u>	<u>75,011</u>
CAPITAL AND RESERVES		
Called Up Share Capital	5,000	5,000
Profit and Loss Account	94,493	65,421
Other Reserves	<u>13,615</u>	<u>4,590</u>
	<u>113,108</u>	<u>75,011</u>

These Accounts were approved by the Board on 16th April 1986.

The Directors have relied on the exemptions for individual Financial Statements contained in Section 248 of the Companies Act 1985. In their opinion the Company is a small Company within the definition of the Act.



 } Directors

FFYNONAU DUON MINES LIMITEDNOTES TO THE FINANCIAL STATEMENTSYEAR ENDED 30TH SEPTEMBER 1985.1. ACCOUNTING POLICIES

## (a) Accounting Convention.

The financial statements have been prepared under the Historical Cost Convention.

## (b) Tangible Fixed Assets

i) Government grants receivable are credited to Revenue account over the lifetime of assets they refer to.

ii) Depreciation is not provided on freehold land or buildings. On other assets, depreciation is provided on cost in annual instalments over the estimated lives of the Assets. The rates of depreciation are as follows:-

Plant & Machinery	- 15% per annum on written down value
Motor Vehicles	- 25% per annum on written down value
Office Equipment	- 10 - 33% per annum on written down value
Mine Development	- 20% On Cost

## (c) Turnover

Turnover represents amounts invoiced in respect of goods and services provided during the year, exclusive of Value Added Tax.

2. SHARE CAPITAL

## AUTHORISED:

	1985	1984
500 'A' Ordinary Shares of £1 each	500	500
4,500 'B' Ordinary Shares of £1 each	<u>4,500</u>	<u>4,500</u>
	<u>5,000</u>	<u>5,000</u>

## ALLOTTED AND FULLY PAID:

	1985	1984
500 'A' Ordinary Shares of £1 each	500	500
4,500 'B' Ordinary Shares of £1 each	<u>4,500</u>	<u>4,500</u>
	<u>5,000</u>	<u>5,000</u>