

Registered Number: 4224586

GALLANT MINERALS SERVICES LIMITED

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

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Gallant Minerals Services Limited

COMPANY INFORMATION

Directors	R J Fallowfield A Linder K A Laskowski J Byrne
Secretary	R J Fallowfield
Company number	4224586
Registered office	Suite 5, 55 Park Lane London W1K 1NA
Bankers	Allied Irish Bank (GB) West End Branch 10, Berkeley Square London W1J 6AA

Gallant Minerals Services Limited

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Gallant Minerals Services Limited

DIRECTORS' REPORT

The Directors present their annual report and the financial statements of the Company for the year ended 31 December 2011

Principal Activity

The Company provides expertise in the field of geological analysis and minerals exploration to Gallant Minerals Limited whose business is entirely outside the United Kingdom

Directors and their Interests

The present Directors of the Company are

R J Fallowfield
A Linder
K. A Laskowski
J Byrne

No Director in office at 31 December 2011 held any beneficial interest in the shares of the Company at 1 January 2011 or at 31 December 2011

No Director has had a material interest directly or indirectly at any time during the year in any contract significant to the business of the Company except that Mr Laskowski is the proprietor of KAL Exploration Inc which is remunerated for Geology consultancy services and the provision of a director

Results and Dividends

The profit after taxation for the year ended 31 December 2011 amounted to £843

The Directors do not recommend the payment of a dividend and an amount of £843 has been transferred to reserves

Review of Business

The Company has continued to focus on monitoring, on behalf of Gallant Minerals Limited, progress on the venture contracts in Mongolia and Peru. The costs in relation to this work were recharged to the parent company, Gallant Minerals Limited

Gallant Minerals Services Limited

DIRECTORS' REPORT.....contd

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 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 judgements and 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 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.

In preparing this report the directors have taken advantage of the small company exemptions in Part 15 of the Companies Act 2006.

This report has been approved by the board of directors on 31st May 2012 and signed on its behalf of the board by



R J Fallowfield
Director
31st May 2012

Registered Office
Suite 5,
55 Park Lane,
London
W1K 1NA

Gallant Minerals Services Limited

PROFIT AND LOSS ACCOUNT YEAR ENDED 31 DECEMBER 2011

		Year To 31/12/11	Year To 31/12/10
	Note	£	£
TURNOVER	2	45,000	45,000
GROSS PROFIT		45,000	45,000
Administrative expenses		(44,157)	(44,254)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		843	746
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	7	843	746

All profits and losses derive from continuing operations

There were no recognised gains or losses other than those shown above. The movements on reserves are shown in Note 7.

Gallant Minerals Services Limited

BALANCE SHEET AT 31 DECEMBER 2011

	Note	31/12/11 £	31/12/10 £
CURRENT ASSETS			
Debtors (Amounts falling due within one year)	4	3,386	6,421
Cash at bank and in hand		9,503	5,702
		<u>12,889</u>	<u>12,123</u>
CREDITORS (Amounts falling due within one year)			
	5	<u>(7,512)</u>	<u>(7,589)</u>
NET CURRENT ASSETS/(LIABILITIES)			
		<u>5,377</u>	<u>4,534</u>
NET ASSETS/(LIABILITIES)			
		<u>5,377</u>	<u>4,534</u>
CAPITAL AND RESERVES			
Called up share capital	6	3	3
Share Premium	6	185,293	185,293
Profit and loss account	7	(179,919)	(180,762)
		<u></u>	<u></u>
SHAREHOLDERS' FUNDS – SURPLUS			
	8	<u>5,377</u>	<u>4,534</u>

For the year in question the company was entitled to the exemption under section 477 of the Companies Act 2006. The members have not required the company to obtain an audit of its financial statements for the financial year in question in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records as required by the legislation and complying with the requirements of the Act for the preparation of accounts.

The financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to companies subject to the small companies regime.

Approved and authorised for issue by the Board of directors and were signed on its behalf on 31st May 2012.



R J Fallowfield
Director

The notes on pages 5 to 8 form an integral part of these accounts

Gallant Minerals Services Limited

NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. In accordance with FRS 1, the Company has taken advantage of the exemption for small companies from the requirement to produce a cash flow statement.

Turnover

Turnover represents professional geological and accounting services rendered during the year to Gallant Minerals Limited.

Depreciation of Tangible Fixed Assets

Depreciation is provided by the Company in order to write down to estimated residual value, if any, the cost of tangible fixed assets over their estimated useful lives by equal annual instalments, on the following basis:

Computer hardware and software and other equipment 33%.

Deferred Taxation

Deferred taxation is provided at appropriate rates in respect of all timing differences arising from the inclusion of income and expenditure in taxation computations in periods different from those in which they were included in the financial statements. Provision has been made where a tax liability is expected to crystallise in the foreseeable future.

Foreign Currency

Transactions denominated in foreign currency are translated at exchange rates ruling at the transaction date. Realised gains and losses are dealt with in the profit and loss account.

Leased Assets

All payments made under operating leases are charged to the profit and loss account on a straight-line basis over the lease.

Gallant Minerals Services Limited

NOTES TO THE ACCOUNTS.....contd.

2. TURNOVER

Turnover represents the total amount receivable for services provided and goods sold excluding VAT, and is derived from outside the UK

In the opinion of the Directors, all of the Company's activities were derived from one class of business

3. TAXATION

The Company has unutilised tax losses at the end of the year amounting to £140,487 (2010.£140,723) for set off against future trading profits

Taxation Reconciliation	2011 £	2010 £
Profit on ordinary activities before tax	843	746
	<hr/>	<hr/>
Profit/(Loss) on ordinary activities multiplied by standard rate of corporation tax in UK of 28%	236	209
Effects of Unprovided deferred tax	(236)	(209)
	<hr/>	<hr/>
Tax charge for period	-	-

4. DEBTORS: Amounts falling due within one year

	31/12/11 £	31/12/10 £
Amounts due from parent undertaking	3,386	6,421
	<hr/>	<hr/>
	3,386	6,421

Gallant Minerals Services Limited

NOTES TO THE ACCOUNTS.....contd.

5. CREDITORS: Amounts falling due within one year

	31/12/11	31/12/10
	£	£
Accruals	7,000	1,725
Other creditors	512	5,864
	<u>7,512</u>	<u>7,589</u>

6. SHARE CAPITAL

	31/12/11	31/12/10
	£	£
Authorised		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted and fully paid		
Ordinary shares of £1 each	<u>3</u>	<u>3</u>

The share premium account represents amounts greater than the nominal value of a loan capitalised from Gallant Minerals Limited in April 2008

7. PROFIT AND LOSS RESERVES

	31/12/11	31/12/10
	£	£
At the beginning of the year	(180,762)	(181,508)
Retained profit/(loss) for the year	843	746
At end of the year	<u>(179,919)</u>	<u>(180,762)</u>

8. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	31/12/11	31/12/10
	£	£
Profit/(Loss) for the financial year	843	746
Opening shareholders' funds	<u>4,534</u>	<u>3,788</u>
Closing shareholders' funds	<u>5,377</u>	<u>4,534</u>

Gallant Minerals Services Limited

NOTES TO THE ACCOUNTS.....contd.

9. RELATED PARTIES

At the balance sheet date there were arm's length agreements between the Company and various related companies to provide management, security, property and maintenance services. These companies have directors in common with the Company. The values of these transactions during the year were: -

	Year to 31/12/11 Purchases £	Year to 31/12/10 Purchases £
Liberty Publishing & Media Ltd	8,424	9,503
KAL Exploration Inc	19,047	12,000
Total	21,503	21,503

At the balance sheet dates the Company owed the following:

	31/12/2011 Creditors £	31/12/2010 Creditors £
Liberty Publishing & Media Ltd	512	5,865
Total	512	5,865

The related party creditors are included in other creditors at note 5

During the year, Gallant Minerals Services Limited made sales to Gallant Minerals Limited to the value of £45,000 (2010 £45,000). The funding loaned by Gallant Minerals Limited was offset against these sales leaving a balance due to the company of £3,386 (2010 £6,421) at the balance sheet date

10. ULTIMATE PARENT UNDERTAKING

The immediate parent company of Gallant Minerals Services Limited is Gallant Minerals Limited, a company incorporated in Bermuda

The ultimate parent company is Gallant Holdings Limited a company incorporated in Bermuda. The entire share capital of that company is ultimately under the control of family trusts established for the benefit of Mr Mohamed Al Fayed and his family