

# Melville Bay Ltd

Registered Number: 07291586

## Financial Statements for the year to 30 November 2015

WEDNESDAY



\*A5EJWO01\*

A23

31/08/2016

#185

COMPANIES HOUSE

# Melville Bay Ltd

## Financial Statements for the year to 30 November 2015

	Page
Company Information	1
Directors' report	2
Profit and loss account	3
Balance sheet	4
Notes to the financial statements	5-7
Detailed profit and loss account	8

# Melville Bay Ltd

## Company Information

Registered Number: 07291586

### Registered Office

55 Gower Street  
London  
WC1E 6HQ

### Directors

Mr A.R.M. Bell  
Mr V.T. Vilhjalmsson  
Lord E.T. Razzall  
Mr P.M.P. Newman  
Mr S.C. Kaintz

### Secretary

Mr N. Bird

# Melville Bay Ltd

## Directors' report for the year to 30 November 2015

The Directors present their report and financial statements for the year ended 30 November 2015.

### Principal activity

Melville Bay Ltd ("the Company") is engaged in mining exploration and development in Greenland. The Company's objective is to create shareholder value by establishing and declaring mineral resources, in compliance with recognised standards within the Mining industry.

### Review of business and future developments

Over two short exploration seasons in 2011 and 2012, the Company progressed its Melville Bugt iron ore project from greenfield to a JORC Inferred Mineral Resource Estimate of 67Mt magnetite at 31.4% Fe. Additional potential has been recognised for Direct Shipping Ore (DSO), with samples collected on surface and in drill core with grades over 60% Fe. Exploration targets have been identified with up to 200Mt of DSO haematite and up to 1Bt of magnetite style iron ore. The Company was in discussion with potential farm-in partners in 2012 and 2013 but these did not finalise. The iron ore price fell by over 45% in the year under review. As a result, the Directors impaired the asset at 30 November 2014 by 30%. There was no active exploration in 2013, 2014 or 2015 and there are no plans for active exploration in 2016.

### Results and dividends

The trading results for the year and the Company's financial position at the 30 November 2015 are shown in the attached financial statements.

The Directors do not recommend the payment of a dividend.

### Directors and their interests

The Directors who held office during the period to date are given below:

Andrew Bell  
Vilhjalmur Vilhjalmsson  
Lord Timothy Razzall  
Patrick Newman  
Scott Kaintz

No Director has a direct shareholding in the Company. Patrick Newman indirectly holds 10% of the Company through International Media Projects Ltd, a company 100% owned by him.

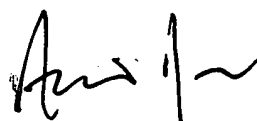
### Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Registered Office

55 Gower Street  
London  
WC1E 6HQ

Signed by order of the Board



Andrew Bell  
Managing Director

31 August 2016

# Melville Bay Ltd

## Profit and loss statement for the year to 30 November 2015

	Note	Year ended 30 November 2015 £	Year ended 30 November 2014 £
Total costs		850	1,900
Impairment of intangible asset		-	1,740,707
Operating loss before taxation	2	850	1,742,607
Taxation		-	-
Loss for the financial year		850	1,742,607

The accompanying notes on pages 5 to 7 form part of these financial statements.

# Melville Bay Ltd

## Balance sheet as at 30 November 2015

	Note	£	2015 £	£	2014 £
<b>Assets</b>					
Exploration assets	5		4,113,339		4,061,650
Non-current assets			<u>4,113,339</u>		<u>4,061,650</u>
<b>Current assets</b>					
Debtors & prepaid expenses	6	27,179		45,188	
Creditors- amounts falling due within one year	7	<u>(185,298)</u>		<u>(150,768)</u>	
Net current liabilities			(158,119)		(105,580)
Net assets			<u>3,955,220</u>		<u>3,956,070</u>
<b>Capital and reserves</b>					
Called-up share capital	8		25,000		25,000
Share premium			5,690,492		5,690,492
Accumulated deficit	9		<u>(1,760,272)</u>		<u>(1,759,422)</u>
Shareholders' funds			<u>3,955,220</u>		<u>3,956,070</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the period ending 30 November 2015 by virtue of section 477 relating to small companies and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller entities (effective April 2008).

The financial statements were approved by the directors and authorised for issue on 31 August 2016, and are signed on their behalf by:



Andrew Bell  
Managing Director  
31 August 2016

Registered Number: 07291586

The accompanying notes form part of these financial statements.

# Melville Bay Ltd

## Notes to the financial statements for the year 30 November 2015

### 1 Principal accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The Company's principle accounting policies are set out below;

#### Going concern

The financial statements have been prepared on the going concern basis. The Company's activities are funded by NAMA Resources Plc, Red Rock Resources Plc and International Media Projects Ltd in proportion to their relevant interests in the Company under a Joint Venture Agreement. There are no plans for active exploration in 2016. The directors are of the view that the Company will be able to meet its liabilities as they fall due in the foreseeable future.

#### Capitalisation of exploration costs as an intangible asset

The Directors have classified the exploration expenditure undertaken in the year as an intangible exploration asset under the terms of IFRS 6. As such the asset is shown at cost.

#### Exploration Assets

Exploration assets comprise exploration and development costs incurred on prospects at an exploratory stage. These costs include the cost of acquisition and geological exploration, including costs of drilling, surveys, and administrative overheads directly associated with the projects. These costs are carried forward in the Company's financial statement as non-current intangible assets less provision for identified impairments.

#### Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial period. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. All such foreign exchange differences are taken to the profit and loss account in the period in which they arise.

### 2 Operating loss

Operating loss is stated after charging

	2015 £	2014 £
Administration costs	850	1,900
Impairment of intangible asset	-	1,740,707

### 3 Directors' emoluments

No emoluments were paid to the directors during the period.

### 4 Employee information

The Company had no employees during the year.

# Melville Bay Ltd

## Notes to the financial statements for the year 30 November 2015 (continued)

### 5 Exploration Assets

The Directors have classified the exploration expenditure undertaken during the period as an intangible asset. As required under IFRS6 the Directors have carried out an impairment review at the end of the period and conclude that no further impairment of the exploration assets is required. The benefit of this asset may not be fully realised within twelve months.

	2015 £	2014 £
<b>Cost</b>		
At 30 November 2014	5,808,658	5,759,017
Additions during the year	51,689	49,641
At 30 November 2015	<u>5,860,347</u>	<u>5,808,658</u>
<b>Impairment</b>		
At 30 November 2014	(1,747,008)	(6,301)
Recognised in the year	-	(1,740,707)
At 30 November 2015	<u>(1,747,008)</u>	<u>(1,747,008)</u>
<b>Net book amount</b>	<u>4,113,339</u>	<u>4,061,650</u>

### 6 Debtors & Prepaid expenses

	2015 £	2014 £
Amount due from related parties	27,179	45,188
	<u>27,179</u>	<u>45,188</u>

### 7 Creditors – Amounts falling due within one year

	2015 £	2014 £
Professional fees	10,900	10,050
Greenland taxes	64,523	67,026
Amounts due to related parties	109,874	73,692
	<u>185,298</u>	<u>150,768</u>



# Melville Bay Ltd

## Notes to the financial statements for the year 30 November 2015 (continued)

### 8 Called-up share capital

	30 November 2015 £	30 November 2014 £
Authorised and Issued Share Capital 2,500,000 (2013: 2,500,000) Ordinary shares at 1p each	25,000	25,000

### 9 Accumulated deficit

	2015 £	2014 £
Balance at 1 December 2014	(1,759,422)	(16,815)
Loss for the year	(850)	(1,742,607)
Balance at 30 November 2015	<u>(1,760,272)</u>	<u>(1,759,422)</u>

### 10 Holding Company

At the year end, Red Rock Resources Plc held a 60% equity interest in the Company, NAMA Resources Plc held a 30% equity interest and International Media Projects Ltd held a 10% equity interest.

### 11 Capital commitments

The Company had no capital commitments at 30 November 2015.

### 12 Contingent liabilities

The Company may have to provide up to DKK 3million financial security to be held in an escrow account as licensee of exploration licence 2011/25 in Melville, North East Greenland. The Mineral Licence and Safety Authority ("MLSA") in Greenland requests exploration licence holders to provide security for the fulfilment of all obligations connected to restoration of the licence area upon termination of activities such as removal of installations, buildings, stored items and others, except where non-removal of these installations has been approved by the MLSA. If the licensee is in breach of its obligations, the amount held in escrow will be paid fully or partially to the MLSA.

# Melville Bay Ltd

## Detailed Profit and loss statement for the year to 30 November 2015

	Year ended 30 November 2015 £	Year ended 30 November 2014 £
Accountancy and tax	850	900
Administrative costs	-	1,000
Impairment of intangible asset	-	1,740,707
Operating loss before taxation	850	1,742,607