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BOUGAINVILLE COPPER PTY. LIMITED

ANNUAL REPORT, 1970

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at 31st December, 1970.

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Pty. Limited for the year ended 31st December, 1970.

Notes on Accounts

CJM:CMC
Melbourne
15th February, 1971.

BOUGAINVILLE COPPER PTY. LIMITED

DIRECTORS' REPORT

The Directors present the Annual Report and the audited accounts of the Company for the year ended 31st December, 1970.

1. Profit and Loss Statement

The Company did not trade during the period under review. No dividends were declared or paid during the year.

2. Capital

During the year the issued capital of the Company was increased from \$50,000,000 to \$93,750,000.

On 27th February, 1970, 25,000,000 ordinary shares of \$1.00 each, paid to fifty cents each, were issued to the Administration of the Territory of Papua and New Guinea in accordance with the provisions of the Mining (Bougainville Copper Agreement) Ordinance 1967. An instalment of twenty-five cents per share on these 25,000,000 shares was paid on the 2nd November, 1970.

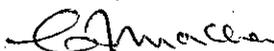
On 14th March, 1970, 50,000,000 ordinary shares of \$1.00 each, paid to one cent each, were issued to Bougainville Mining Limited. A call of forty-nine cents per share on these 50,000,000 shares was paid on the 14th December, 1970.

3. Statutory

In accordance with the provisions of Section 162 of the Companies Ordinance the Directors state that in their opinion :-

- (a) the results of the Company's operations for the year under review have not been materially affected by items of an abnormal character;
- (b) no circumstances have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate;
- (c) no contingent liabilities have been undertaken by the Company since the end of the period covered by the last Report;
- (d) no contingent liability has become enforceable or is likely to become enforceable within the succeeding period of twelve months which will materially affect the Company in its ability to meet its obligations as and when they fall due.

For and on behalf of the Board



C.J. Morcher,
Secretary.

26th February, 1971.

BOUGAINVILLE COPPER PTY. LIMITED

STATEMENT BY DIRECTORS

We, Maurice Alan Edgar Mawby and Frank Fletcher Espie being two directors of Bougainville Copper Pty. Limited, state that in our opinion the accompanying profit and loss statement is drawn up so as to give a true and fair view of the results of the business of the Company for the period covered by the statement and the accompanying balance sheet is drawn up so as to exhibit a true and fair view of the state of affairs of the Company at the end of that period.

Signed at Melbourne this *Twenty-sixth* day of *February*, 1971.

On behalf of the Board

.....*M. Mawby*.....)
.....*F. Espie*.....) Directors

DECLARATION BY SECRETARY

I, Christopher John Morcher, Secretary of Bougainville Copper Pty. Limited, do solemnly and sincerely declare that the accompanying balance sheet and profit and loss statement of the Company are, to the best of my knowledge and belief, correct.

And I make this solemn declaration by virtue of the Statutory Declarations Act 1959, and subject to the penalties provided by that Act for the making of false statements in statutory declarations conscientiously believing the statements contained in this declaration to be true in every particular.

Declared at Melbourne in the State of Victoria this *fifteenth* day of *February*, 1971.

Before me : *A. H. ...**C. Morcher*.....
Justice of the Peace

REPORT OF THE AUDITORS TO THE MEMBERS

In our opinion, the accompanying balance sheet and profit and loss statement are properly drawn up in accordance with the provisions of the Companies Ordinance 1963 - 1968 and so as to give a true and fair view of the state of affairs of the Company.

The accounting and other records, including registers, of the Company examined by us have, in our opinion, been properly kept in accordance with the provisions of the Ordinance.

Cooper Brothers & Co.

COOPER BROTHERS & CO.
Chartered Accountants

Melbourne, 15th February 1971.

BOUGAINVILLE COPPER PTY. LIMITED
BALANCE SHEET AS AT 31ST DECEMBER, 1970

	<u>1970</u>	<u>1969</u>
	\$	\$
<u>SHARE CAPITAL</u>		
<u>Authorized Capital</u>		
125,000,000 ordinary shares of \$1 each	125,000,000	125,000,000
<u>Issued Capital</u>		
50,000,000 ordinary shares of \$1 each fully paid	50,000,000	50,000,000
25,000,000 ordinary shares of \$1 each paid to 75c	18,750,000	-
50,000,000 ordinary shares of \$1 each paid to 50c	25,000,000	-
<u>Total Shareholders Funds</u>	<u>93,750,000</u>	<u>50,000,000</u>
<u>LIABILITIES</u>		
<u>Maturing later than one year</u>		
Secured Loans (Note 1)	48,756,217	-
Unsecured Loans (Note 1)	4,764,530	-
Provision for Long Service Leave	75,973	44,635
	<u>53,596,720</u>	<u>44,635</u>
<u>Current</u>		
Bank overdraft and bridging loans	29,027,216	-
Creditors and accrued charges	3,985,527	1,245,673
Unsecured Loans	111,973	-
Amounts due to :-		
C.R.A. Group Companies	2,770,351	-
R.T.Z. Group Companies	35,492	-
Associated Companies	2,273	1,108,000
	<u>35,932,832</u>	<u>2,353,673</u>
<u>Total Liabilities</u>	<u>89,529,552</u>	<u>2,398,308</u>
<u>Total Funds Used By The Company</u>	<u>\$183,279,552</u>	<u>\$52,398,308</u>

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JFA:JYD
Melbourne,
21st January, 1971.

BOUGAINVILLE COPPER PTY. LIMITED
BALANCE SHEET AS AT 31ST DECEMBER, 1970

	<u>1970</u>	<u>1969</u>
	\$	\$
THESE FUNDS ARE REPRESENTED BY :-		
<u>ASSETS</u>		
<u>Fixed</u>		
Development of mining property at cost	181,221,290	48,641,814
<u>Investments</u>		
Unquoted shares at cost	45,037	45,037
<u>Current</u>		
Cash and bank balances	117,345	261,675
Short Term deposits and loans	447,427	-
Debtors and payments in advance	799,594	3,449,782
Stocks and stores (Note 2)	648,859	-
	2,013,225	3,711,457
<u>TOTAL ASSETS</u>	\$183,279,552	\$52,398,308

The accompanying notes form part of the accounts and are to be read in conjunction therewith.

PROFIT AND LOSS STATEMENT
FOR YEAR ENDED 31ST DECEMBER, 1970

	<u>1970</u>	<u>1969</u>
	\$	\$
Revenue	NIL	NIL
Expenses	NIL	NIL

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JFA:JYD
Melbourne,
21st January, 1971.

BOUGAINVILLE COPPER PTY. LIMITED

NOTES ON ACCOUNTS

31ST DECEMBER, 1970

1. LOANS (maturing later than one year)

Secured

These loans are repayable over years 1973 to 1982 in U.S. dollars and they are secured by a charge over all the issued share capital of the company.

Unsecured

Repayments are to effected over the period 1971 to 1981.

2. STOCKS AND STORES

Stocks and stores are stated at the lowest of cost, net realisable value, and replacement cost.

3. COMMITMENTS

Capital commitments not reflected in the accounts totalled approximately \$81,500,000 at 31st December, 1970.

4. CURRENCY CONVERSION

All amounts have been converted at the rates of exchange ruling at the date of each transaction.

5. AUDIT FEES AND INTEREST

Included in Development of Mining Property are Audit fees of \$13,000 and Interest of \$3,965,172.

BOUGAINVILLE COPPER LTDY. LIMITED

BALANCE SHEET AS AT 31ST DECEMBER, 1969.

	<u>1969</u>	<u>1968</u>
<u>SHARE CAPITAL</u>		
<u>Authorised</u>		
125,000,000 ordinary shares of \$1 each	125,000,000 =====	5,000,000 =====
<u>Issued</u>		
50,000,000 ordinary shares of \$1 each fully paid	50,000,000	100,002
TOTAL SHAREHOLDERS' FUNDS	\$50,000,000 =====	\$ 100,002 =====
 <u>LIABILITIES</u>		
<u>Current</u>		
Creditors and accrued charges	1,245,673	
Advance - associate company	1,108,000	
	2,353,673	-
<u>Deferred Liabilities</u>		
Long Service Leave	44,635	-
<u>Total Liabilities</u>	2,398,308	-
TOTAL FUNDS EMPLOYED BY THE COMPANY	\$52,398,308 =====	\$ 100,002 =====

These funds are represented by the following assets.

PFB:HJP
Melbourne,
29th January, 1970.