

**GALANTAS IRISH GOLD LIMITED**  
**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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**GALANTAS IRISH GOLD LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2014**

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**GALANTAS IRISH GOLD LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**DIRECTORS:**

R Phelps  
LJ Gunter  
B McAleer  
M Crystal

**SECRETARY:**

Mrs C Murphy

**REGISTERED OFFICE:**

Royston House  
34 Upper Queen Street  
Belfast  
Co. Antrim  
BT1 6FD

**REGISTERED NUMBER:**

NI032245

**AUDITORS:**

Baker Tilly Mooney Moore  
Statutory Auditors  
17 Clarendon Road  
Clarendon Dock  
Belfast  
Co. Antrim  
BT1 3BG

**BANKERS:**

Bank of Ireland  
Campsie Road  
Omagh  
Co. Tyrone  
BT79 0AE

**SOLICITORS:**

Elliot Duffy Garrett  
Royston House  
34 Upper Queen Street  
Belfast  
BT1 6FD

**GALANTAS IRISH GOLD LIMITED**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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The directors present their strategic report for the year ended 31 December 2014.

**REVIEW OF BUSINESS**

Company Overview

Galantas Irish Gold Limited transferred its stock and other assets to Omagh Minerals Limited as part of a re-structuring of the jewellery operation. It will no longer continue in this business. The loan outstanding to Omagh Minerals Limited was written off as part of the restructuring. Galantas Irish Gold Limited has no assets or liabilities as at December 31, 2014.

Management and Staff

Overall management is exercised by one Executive Director along with a part time financial controller.

**ON BEHALF OF THE BOARD:**



.....  
R Phelps - Director

Date: 22/04/2015

## **GALANTAS IRISH GOLD LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2014**

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The directors present their report with the financial statements of the company for the year ended 31 December 2014.

#### **DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2014.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2014 to the date of this report.

R Phelps  
LJ Gunter  
B McAleer  
M Crystal

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 International Financial Reporting Standards as adopted by the European Union. 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 accounting 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.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the Directors confirms that, so far as they are aware, there is no relevant audit information of which the auditors are unaware. Each Director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

#### **AUDITORS**

The auditors, Baker Tilly Mooney Moore, will be proposed for re-appointment at the forthcoming Annual General Meeting.

#### **ON BEHALF OF THE BOARD:**



.....  
R Phelps - Director

Date: 22/04/2015

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GALANTAS IRISH GOLD LIMITED**

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We have audited the financial statements of Galantas Irish Gold Limited for the year ended 31 December 2014 on pages six to sixteen. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 a Report of the Auditors 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 auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
GALANTAS IRISH GOLD LIMITED**

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**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.

*Joanne Small*

Joanne Small (Senior Statutory Auditor)  
for and on behalf of Baker Tilly Mooney Moore  
Statutory Auditors  
17 Clarendon Road  
Clarendon Dock  
Belfast  
Co. Antrim  
BT1 3BG

Date: *23rd April 2015*

**GALANTAS IRISH GOLD LIMITED**

**STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	31.12.14 £	31.12.13 £
<b>CONTINUING OPERATIONS</b>			
Revenue		-	12,138
Cost of sales		-	(9,587)
<b>GROSS PROFIT</b>		-	2,551
Other operating income		767,930	-
Administrative expenses		(2,252)	(13,980)
<b>OPERATING PROFIT/(LOSS)</b>		765,678	(11,429)
<b>PROFIT/(LOSS) BEFORE INCOME TAX</b>	3	765,678	(11,429)
Income tax	4	-	-
<b>PROFIT/(LOSS) FOR THE YEAR</b>		765,678	(11,429)

The notes form part of these financial statements



**GALANTAS IRISH GOLD LIMITED**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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	<b>31.12.14</b>	<b>31.12.13</b>
	<b>£</b>	<b>£</b>
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>765,678</b>	<b>(11,429)</b>
<b>OTHER COMPREHENSIVE INCOME</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b><u>765,678</u></b>	<b><u>(11,429)</u></b>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION  
31 DECEMBER 2014

	Notes	31.12.14 £	31.12.13 £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	-	1,201
<b>CURRENT ASSETS</b>			
Inventories	6	-	185,742
Trade and other receivables	7	-	1,681
Cash and cash equivalents	8	-	14,083
		-	201,506
<b>TOTAL ASSETS</b>		-	202,707
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	9	2	2
Retained earnings	10	(2)	(765,680)
<b>TOTAL EQUITY</b>		-	(765,678)
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	11	-	395,675
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	-	572,710
<b>TOTAL LIABILITIES</b>		-	968,385
<b>TOTAL EQUITY AND LIABILITIES</b>		-	202,707

The financial statements were authorised for issue by the Board of Directors on 22/04/2015 and were signed on its behalf by:



.....  
R Phelps - Director

The notes form part of these financial statements

**GALANTAS IRISH GOLD LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 1 January 2013</b>	2	(754,251)	(754,249)
<b>Changes in equity</b>			
Total comprehensive income	-	(11,429)	(11,429)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2013</b>	2	(765,680)	(765,678)
	<hr/>	<hr/>	<hr/>
<b>Changes in equity</b>			
Total comprehensive income	-	765,678	765,678
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2014</b>	2	(2)	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

**GALANTAS IRISH GOLD LIMITED****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

		31.12.14 £	31.12.13 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>(15,239)</u>	<u>73,988</u>
Net cash from operating activities		<u>(15,239)</u>	<u>73,988</u>
<b>Cash flows from investing activities</b>			
Sale of tangible fixed assets		<u>1,156</u>	<u>-</u>
Net cash from investing activities		<u>1,156</u>	<u>-</u>
<b>Cash flows from financing activities</b>			
Amount withdrawn by directors		<u>-</u>	<u>(71,580)</u>
Net cash from financing activities		<u>-</u>	<u>(71,580)</u>
(Decrease)/increase in cash and cash equivalents		<u>(14,083)</u>	<u>2,408</u>
Cash and cash equivalents at beginning of year	2	<u>14,083</u>	<u>11,675</u>
Cash and cash equivalents at end of year	2	<u><u>-</u></u>	<u><u>14,083</u></u>

The notes form part of these financial statements

**GALANTAS IRISH GOLD LIMITED****NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2014****1. RECONCILIATION OF PROFIT/(LOSS) BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	31.12.14	31.12.13
	£	£
Profit/(loss) before income tax	765,678	(11,429)
Depreciation charges	45	208
	<u>765,723</u>	<u>(11,221)</u>
Decrease in inventories	185,742	9,587
Decrease in trade and other receivables	1,681	6,319
(Decrease)/increase in trade and other payables	<u>(968,385)</u>	<u>69,303</u>
<b>Cash generated from operations</b>	<u><u>(15,239)</u></u>	<u><u>73,988</u></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 31 December 2014**

	31.12.14	1.1.14
	£	£
Cash and cash equivalents	<u><u>-</u></u>	<u><u>14,083</u></u>

**Year ended 31 December 2013**

	31.12.13	1.1.13
	£	£
Cash and cash equivalents	<u><u>14,083</u></u>	<u><u>11,675</u></u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**1. ACCOUNTING POLICIES**

**Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

**Revenue recognition**

Revenue is recognised upon shipment of products, which is when title to the product is transferred to the customer.

**Property, plant and equipment**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Moulds	- 25% on cost

**Inventories**

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost comprises materials, direct wages and other direct production costs together with a proportion of production overheads relevant to the stage of completion of work in progress and finished goods.

**Taxation**

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**2. EMPLOYEES AND DIRECTORS**

There were no staff costs for the year ended 31 December 2014 nor for the year ended 31 December 2013.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**2. EMPLOYEES AND DIRECTORS - continued**

The average monthly number of employees during the year was as follows:

	31.12.14	31.12.13
Selling and distribution	-	3
Administration	1	1
	<u>1</u>	<u>4</u>

	31.12.14 £	31.12.13 £
Directors' remuneration	-	-

**3. PROFIT/(LOSS) BEFORE INCOME TAX**

The profit before income tax (2013 - loss before income tax) is stated after charging:

	31.12.14 £	31.12.13 £
Cost of inventories recognised as expense	-	9,587
Depreciation - owned assets	45	208

**4. INCOME TAX**

**Analysis of tax expense**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2014 nor for the year ended 31 December 2013.

**Factors affecting the tax expense**

The tax assessed for the year is lower (2013 - higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.14 £	31.12.13 £
Profit/(loss) on ordinary activities before income tax	<u>765,678</u>	<u>(11,429)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 22% (2013 - 23%)	168,449	(2,629)
Effects of:		
Capital allowances in excess of depreciation	(116)	-
Losses in year not relieviable against current tax	612	2,629
Non taxable income	<u>(168,945)</u>	<u>-</u>
Tax expense	<u>-</u>	<u>-</u>

**GALANTAS IRISH GOLD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**5. PROPERTY, PLANT AND EQUIPMENT**

	Plant and machinery £	Fixtures and fittings £	Moulds £	Totals £
<b>COST</b>				
At 1 January 2014	2,132	4,724	36,373	43,229
Disposals	(2,132)	(4,724)	(36,373)	(43,229)
At 31 December 2014	-	-	-	-
<b>DEPRECIATION</b>				
At 1 January 2014	2,033	3,622	36,373	42,028
Charge for year	4	41	-	45
Eliminated on disposal	(2,037)	(3,663)	(36,373)	(42,073)
At 31 December 2014	-	-	-	-
<b>NET BOOK VALUE</b>				
At 31 December 2014	-	-	-	-
At 31 December 2013	99	1,102	-	1,201

**6. INVENTORIES**

	31.12.14 £	31.12.13 £
Stocks	-	185,742

**7. TRADE AND OTHER RECEIVABLES**

	31.12.14 £	31.12.13 £
Current:		
Trade debtors	-	1,681

**8. CASH AND CASH EQUIVALENTS**

	31.12.14 £	31.12.13 £
Cash in hand	-	2
Bank accounts	-	14,081
	-	14,083



**GALANTAS IRISH GOLD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**9. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.14 £	31.12.13 £
2	Ordinary	£1	<u>2</u>	<u>2</u>

**10. RESERVES**

	Retained earnings £
At 1 January 2014	(765,680)
Profit for the year	<u>765,678</u>
At 31 December 2014	<u>(2)</u>

**11. TRADE AND OTHER PAYABLES**

	31.12.14 £	31.12.13 £
Current:		
Trade creditors	-	2,011
Amounts owed to group undertakings	-	550,280
Accrued expenses	-	19,750
VAT	-	669
	<u>-</u>	<u>572,710</u>
Non-current:		
Amounts owed to group undertakings	-	395,675
	<u>-</u>	<u>395,675</u>
Aggregate amounts	<u>-</u>	<u>968,385</u>

**12. ULTIMATE PARENT COMPANY**

The company's immediate parent undertaking is Cavanacaw Corporation, a company incorporated in Canada.

In the directors' opinion, the company's ultimate parent undertaking and controlling party is Galantas Gold Corporation which is also incorporated in Canada. Copies of the group financial statements are available from the company secretary at 50 Richmond Street East, Suite 101, Toronto, Ontario, Canada, M5C 1N7.

## **GALANTAS IRISH GOLD LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2014**

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#### **13. RELATED PARTY DISCLOSURES**

Galantas Irish Gold Limited and Omagh Minerals Limited are both controlled by Cavanacaw Corporation.

During the year the following transactions took place with Omagh Minerals Limited:

- (a) Expenses paid by Omagh Minerals Limited on behalf of Galantas Irish Gold Limited totalling £1,800.
- (b) Loan repayment by Galantas Irish Gold Limited to Omagh Minerals Limited totalling £11,000.
- (c) Transfer of all assets and liabilities held by Galantas Irish Gold Limited to Omagh Minerals Limited.
- (d) Loan waiver of £767,930.

During the year the loan balance of £201,543 owed by Galantas Irish Gold Limited to Cavanacaw Corporation was transferred to Omagh Minerals Limited as part of the Asset Sale Agreement.

The ultimate parent company of Galantas Irish Gold Limited is Galantas Gold Corporation.

During the year the following transactions took place with Galantas Gold Corporation:

- (a) Transfer of £14,500 in respect of accrued accountancy services from Galantas Irish Gold Limited to Galantas Gold Corporation.
- (b) The loan balance of £208,632 owed by Galantas Irish Gold Limited to Galantas Gold Corporation was transferred to Omagh Minerals Limited as part of the Asset Sale Agreement.