

Simplified Balance Sheet

Bougainville Copper Limited

K Million

WHAT WE OWN (ASSETS)	
Mine leases, treatment plant, housing, power station, port facilities, etc.....	350.4
Copper concentrate in storage awaiting shipment and stores on hand.....	31.2
Money held by banks on deposit and in cash.....	53.2
Amounts owed to your company mainly for copper concentrates recently shipped.....	51.7
	486.5
LESS WHAT WE OWE (LIABILITIES)	
Long term loan borrowings to be repaid after 1977.....	100.7
Short term overdraft.....	2.0
Loan borrowings to be repaid during 1977.....	20.3
Amounts owing to suppliers and others for goods and services.....	18.3
Money set aside for payment of dividends to the Company's shareholders.....	13.4
Money set aside for payment of income tax.....	20.3
	175.0
AMOUNT REMAINING	311.5
This amount (K311.5 million) is retained to finance operations of the business and represents:	
Contributions by the Company's shareholders.....	133.7
Profits which Directors currently intend to retain in the business.....	168.8
The gain (based on present exchange rates and not yet realised) on future United States loan repayments. This gain results from the increase in the value of the Kina compared with the United States dollar.....	9.0

Balance Sheet

at 31st December, 1976

Bougainville Copper Limited

	Notes	1976 K'000	1975 K'000
CAPITAL AND RESERVES			
CAPITAL			
Authorised	9	135 000	135 000
Paid up		133 688	133 688
REVENUE RESERVES			
Unappropriated earnings	10	168 826	154 197
Total capital and reserves		302 514	287 885
EXCHANGE FLUCTUATION	11	9 031	11 495
LIABILITIES			
MATURING LATER THAN ONE YEAR:			
Loans	12	100 692	106 844
Long Service Leave		978	284
		101 670	107 128
CURRENT			
Bank overdraft		1 957	4 032
Loan instalments	12	20 325	19 734
Creditors	13	17 302	16 282
Income tax		20 365	15 666
Dividend payable		13 369	13 369
		73 318	69 083
Commitments & contingent liabilities	19	—	—
TOTAL FUNDS		486 533	475 591
These funds are represented by:			
ASSETS			
PROPERTY, PLANT AND EQUIPMENT	14	350 435	346 001
INVESTMENTS	15	83	83
CURRENT			
Cash and bank balances		2 383	1 590
Short term deposits and loans		50 770	34 670
Debtors	16	51 699	56 881
Stocks and stores	17	31 163	36 366
		136 015	129 507
TOTAL ASSETS		486 533	475 591

All amounts expressed in Papua New Guinea currency.

The notes attached hereto form part of these accounts and are to be read in conjunction with them.

	Bougainville Copper Limited	
	1976 K000	1975 K000
17. STOCKS AND STORES		
Unshipped concentrate	612	1 718
Other stocks and stores	30 551	34 648
	31 163	36 366

	1976 Company K000	Related Corporations K000	1975 Company K000	Related Corporations K000
--	-------------------------	---------------------------------	-------------------------	---------------------------------

18. DIRECTORS' EMOLUMENTS

The total of emoluments received or due and receivable (whether from the Company or from a related corporation) by:

(a) Directors of the Company engaged in full-time employment of the Company or its related corporations (including all bonuses and commissions received or receivable by them as employees, but not including the amount received or receivable by them by way of fixed salary as employees) was

— — — —

and
(b) Other Directors of the Company was

4 — 3 —

19. COMMITMENTS FOR CAPITAL EXPENDITURE AND CONTINGENT LIABILITIES

The approximate commitments for the purchase of land, buildings, plant and equipment not reflected in the Balance Sheet amount to K15 253 000 (1975 K15 158 000).

The Company has contingent obligations attaching to the terms of:

(a) the Credit Agreement dated 28th July, 1969 (as amended)

and

(b) the Amending Agreement as referred to in the Mining (Bougainville Copper Agreement) (Amendment) Act, 1974.

However, no circumstance has yet arisen to suggest that an enforceable claim has or is likely to arise in respect of these obligations.

In addition, the Company may have a contingent obligation following the outcome of claims by various groups for compensation resulting from the effects of the mining operation. However, many of these claims have now been settled.

Except for the foregoing the Company has no contingent liabilities which are material in nature and/or amount.

20. ULTIMATE HOLDING COMPANY

The ultimate holding Company is The Rio Tinto-Zinc Corporation Limited (incorporated in England).

21. COMPARATIVE FIGURES FOR 1975

Where necessary, these figures have been adjusted to conform with changes in presentation made in 1976.

Declarations

Statement by Directors

In the opinion of the Directors of Bougainville Copper Limited the accompanying statement of earnings 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 Panguna this 10th day of February, 1977.

On behalf of the Board
F. F. ESPIE, D. C. VERNON
Directors

Report of the Auditors to the Members

In our opinion, the balance sheet and statement of earnings set out on pages 10 to 16 are properly drawn up in accordance with the provisions of the Companies Act 1963, as amended to date and so as to give a true and fair view of the state of affairs and the profits of the Company. The accounting and other records, including registers examined by us have, in our opinion, been properly kept in accordance with the provisions of the Act.

COOPERS & LYBRAND
Chartered Accountants (Australia)
ARAWA. 11th February, 1977

Declaration by Secretary

I, Misac Rangai, Secretary of Bougainville Copper Limited, do solemnly and sincerely declare that the accompanying balance sheet and statement of earnings of the Company are, to the best of my knowledge and belief correct.

And I make this solemn declaration by virtue of the Oaths, Affirmations and Statutory Declarations Act 1962, as amended to date, conscientiously believing the statements contained herein to be true in every particular.
Declared at Panguna this 10th day of February, 1977.

M. RANGAI
Secretary
Before me:
L. G. SMITH
Justice of the Peace