

Simplified Balance Sheet

Bougainville Copper Limited

What we own (assets)

	K Million		
	1976	1977	
Mine leases, treatment plant, housing, power station, port facilities, etc.	350.4	352.2	72%
Copper concentrate in storage awaiting shipment and stores on hand	31.2	30.1	6%
Money held by banks on deposit and in cash	53.2	71.0	15%
Amounts owed to your company mainly for copper concentrates recently shipped.....	51.7	36.1	7%
	486.5	489.4	

Less what we owe (liabilities)

Long term loan borrowings to be repaid after 1978	100.7	52.0	32%
Short term overdraft	2.0	3.9	2%
Loan borrowings to be repaid during 1978	20.3	63.7	39%
Amounts owing to suppliers and others for goods and services	18.3	21.1	13%
Money set aside for payment of dividends to the Company's shareholders	13.4	10.7	6%
Money set aside for payment of income tax	20.3	13.7	8%
	175.0	165.1	

Amount remaining

	311.5	324.3	
This amount (K324.3 million) is retained to finance operations of the business and represents:			
Contributions by the Company's shareholders	133.7	133.7	41%
Profits which Directors currently intend to retain in the business.....	168.8	176.0	54%
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	14.6	5%

Balance Sheets

at 31st December, 1977

Bougainville Copper Limited
and Subsidiary Company

	Notes	Consolidated 1977 K'000	Bougainville Copper Limited 1977 K'000	1976 K'000
CAPITAL AND RESERVES				
CAPITAL				
Authorised	9	<u>135 000</u>	<u>135 000</u>	<u>135 000</u>
Paid up		<u>133 688</u>	<u>133 688</u>	<u>133 688</u>
REVENUE RESERVES				
Unappropriated earnings	10	<u>175 968</u>	<u>175 971</u>	<u>168 827</u>
Total capital and reserves		<u>309 656</u>	<u>309 659</u>	<u>302 515</u>
EXCHANGE FLUCTUATION	11	<u>14 608</u>	<u>14 608</u>	<u>9 031</u>
LIABILITIES				
MATURING LATER THAN ONE YEAR:				
Loans	12	<u>51 952</u>	<u>51 952</u>	<u>100 692</u>
Long Service Leave		<u>1 360</u>	<u>1 360</u>	<u>978</u>
		<u>53 312</u>	<u>53 312</u>	<u>101 670</u>
CURRENT				
Bank overdraft		<u>3 870</u>	<u>3 870</u>	<u>1 957</u>
Loan instalments	12	<u>63 724</u>	<u>63 724</u>	<u>20 325</u>
Creditors	13	<u>19 808</u>	<u>19 805</u>	<u>17 301</u>
Income tax		<u>13 749</u>	<u>13 749</u>	<u>20 365</u>
Dividend payable		<u>10 695</u>	<u>10 695</u>	<u>13 369</u>
		<u>111 846</u>	<u>111 843</u>	<u>73 317</u>
Commitments & contingent liabilities	19	<u>—</u>	<u>—</u>	<u>—</u>
TOTAL FUNDS		<u>489 422</u>	<u>489 422</u>	<u>486 533</u>
These funds are represented by:				
ASSETS				
PROPERTY, PLANT AND EQUIPMENT				
INVESTMENTS	15	<u>83</u>	<u>92</u>	<u>83</u>
CURRENT				
Cash and bank balances		<u>3 350</u>	<u>3 341</u>	<u>2 383</u>
Short term deposits and loans		<u>67 546</u>	<u>67 546</u>	<u>50 770</u>
Debtors	16	<u>36 112</u>	<u>36 112</u>	<u>51 699</u>
Stocks and stores	17	<u>30 103</u>	<u>30 103</u>	<u>31 163</u>
		<u>137 111</u>	<u>137 102</u>	<u>136 015</u>
TOTAL ASSETS		<u>489 422</u>	<u>489 422</u>	<u>486 533</u>

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.

	1977		1976	
	Company	Related	Company	Related
	K'000	Corporations	K'000	Corporations
		K'000		K'000

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

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 K10 676 000 (1976 K15 253 000). 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 circumstances have yet arisen to suggest that an enforceable claim has, or is likely to arise, in respect of these obligations.

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 1976

Where necessary, these figures have been adjusted to conform with changes in presentation made in 1977.

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 7th day of February, 1978.

On behalf of the Board
F. F. ESPIE, P. W. QUODLING
Directors

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 7th day of February, 1978.

M. RANGAI

Secretary

Before me:

L. G. SMITH

Justice of the Peace

Report of the Auditors to the Members

We report on the balance sheets and statements of earnings of the Company and of the group set out on pages 14 to 20 which have been prepared under the historical cost convention described in note 1.

In our opinion the balance sheets and statements of earnings are properly drawn up in accordance with the provisions of the Companies Act 1963, as amended, and so as to give a true and fair view of the state of affairs of the Company and of the group as at 31st December, 1977, and the results for the year ended on that date.

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

COOPERS & LYBRAND

Chartered Accountants

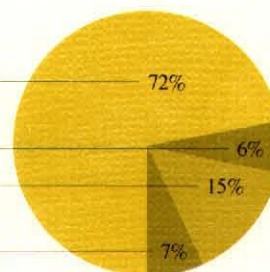
Arawa, 8th February, 1978

Simplified Balance Sheet

Bougainville Copper Limited

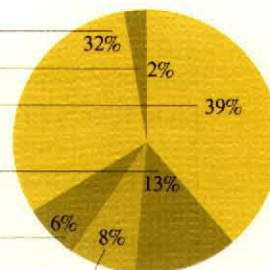
What we own (assets)

	K Million	
	1976	1977
Mine leases, treatment plant, housing, power station, port facilities, etc.	350.4	352.2
Copper concentrate in storage awaiting shipment and stores on hand	31.2	30.1
Money held by banks on deposit and in cash	53.2	71.0
Amounts owed to your company mainly for copper concentrates recently shipped	51.7	36.1
	<u>486.5</u>	<u>489.4</u>



Less what we owe (liabilities)

Long term loan borrowings to be repaid after 1978	100.7	52.0
Short term overdraft	2.0	3.9
Loan borrowings to be repaid during 1978	20.3	63.7
Amounts owing to suppliers and others for goods and services	18.3	21.1
Money set aside for payment of dividends to the Company's shareholders	13.4	10.7
Money set aside for payment of income tax	20.3	13.7
	<u>175.0</u>	<u>165.1</u>



Amount remaining

	311.5	324.3
This amount (K324.3 million) is retained to finance operations of the business and represents:		
Contributions by the Company's shareholders	133.7	133.7
Profits which Directors currently intend to retain in the business	168.8	176.0
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	14.6

