GOLDPLAT

GOLDPLAT PLC

ANNUAL REPORT 2023

GOLDPLAT PLC 2023

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Chairman's Statement

Goldplat PLC's precious metals processing facilities continued to show resilience by achieving creditable trading results during the 30 June 2023 year, during which it experienced some unique challenges.

Our portfolio of core assets consists of two gold recovery operations, in South Africa and Ghana, with plans to extend operations to Brazil. These operations recover gold and platinum group metals ('PGM') from by-products of current and historical mining processing, thereby providing mines with an environmentally friendly and cost-efficient way of removing waste material.

Looking at the trading results of Goldplat PLC ("the Company" or "Goldplat") and its subsidiaries, together referred to as "the Group", profit for the year remained strong at GBP3,068,000 (2022 – GBP3,963,000), resulting in a return on invested capital (Profit after Taxation divided by Total Equity) of 17.8% (2022 – 22.3%). Cash generation across the Group continued to be robust with net cash flows from operating activities of GBP3,343,000 (2022 – GBP2,997,000) and net year end cash of GBP2,781,000 (2022 – GBP3,895,000).

During the year the Group's operations have been impacted by:

- Increased electricity supply cuts in South Africa;
- Slow turnaround of debtors due to delays from a smelter in Europe; and
- Delays in export of material out of Ghana during the last quarter due to finalisation of the renewal of our Gold License.

The above matters have been mitigated after the financial year end through utilising other smelters and the approval of the Gold License in Ghana. In addition, we are in the process of installing back-up diesel generation power in South Africa.

We remain focussed on long term visibility of earnings in the recovery businesses by increasing visibility of resources through the strengthening of partnership relationships and improved processing methods, whilst positioning ourselves as a service group focussed on key elements of primary producers' Environmental, Social and Governance (ESG) initiatives. Our key focus will remain on extracting value from gold bearing by-products whilst we investigate broadening the commodity spaces in which we operate and add value.

As indicated in the prior year, the Company will continue to return cash in excess of operating and development requirements to shareholders. Due to the challenges experienced during the year, resulting in significant working capital requirements, the capital invested into a new tailings storage facility ("TSF") in South Africa and future capital requirements to maintain operations as well as processing of the old TSF, the Company did not distribute any cash to shareholders during the year. We will continue to evaluate this position and, when appropriate, will distribute cash through either share repurchases or dividends, whichever the Board believes will add the most value, to the shareholders.

Goldplat has a pivotal role to play in the circular economy that extends to the extraction of minerals to re-processing of what would typically be dumped as waste materials. It also extends to responsible mining and business practices that underpin Goldplat as a sustainable partner for large mining groups.

As referred to in the Strategic Report, the business has adopted certain sustainability reporting principles in the current year including profiling material matters through the application of double materiality and linking these material issues to strategic responses and performance metrics.

As a starting point, we have conducted materiality assessments to identify where our highest level of sustainability impact could be and in turn, linking these matters to our strategic response, policies and performance management. We are committed to creating measurable value for all our stakeholders towards a just and socio-economic sustainable future.

Goldplat will continue developing its integrated sustainability strategy and reporting practices. This process is ongoing, and the Board will continue to monitor our obligations and make sure that we meet or exceed expectations as we continue to create and preserve value for all our stakeholders.

During the year the Group strengthened its executive management team with the appointment of a Chief Operating Officer (COO), Douglas Davidson, and Chief Financial Officer (CFO), Brent Doster. The executive management team is well positioned to execute the Company's strategy.

The Israel-Hamas and Russian-Ukraine conflict will continue to pose challenges to global supply chains and whilst Goldplat has no activities directly connected with Russia, Ukraine or the Middle East, the long-term effect of the conflict on the Group remains uncertain.

We look forward to continuing and building on the successes of the past few years and increasingly realising and growing the intrinsic value of Goldplat. I wish to thank all Goldplat's employees, as well as my fellow directors, our advisors and our shareholders for their efforts as we look forward to the coming years with enthusiasm.

Gerard Kemp
Chairman
15 December 2023

CEO Report

Overview of operations

Goldplat is a mining services company, specialising in the recovery of gold and other precious metals, from by-products, contaminated soil and other precious metal material from mining and other industries. Goldplat has a pivotal role to play in the circular economy that extends the extraction of minerals to re-processing of what would typically be dumped as waste materials. Goldplat has two market leading operations in South Africa and Ghana focused on providing an economic method for mines to dispose of waste materials while at the same time adhering to their environmental obligations.

Goldplat has been providing these services for more than 20 years mainly to the mining industry in Africa, but more recently also in South America. Goldplat's extraction processes and multiple process lines enable it to keep materials separate, which provides a high degree of flexibility when proposing a solution for a particular type of material. The processes which are employed include roasting in a rotary kiln, crushing, milling, thickening, flotation, gravity concentration, leaching, CIL, elution and smelting of bullion. Goldplat recovery operations recover between 1,500 ounces to 2,500 ounces monthly through its various circuits and under different contracts. The grade, recovery, margins and terms of contracts can differ significantly based on the nature of the material supplied and processed. At a minimum, 50% of material produced is exposed to the fluctuation in the gold price, with the remainder of the production being offset by corresponding changes in raw material costs.

The strategy of the Company, which also drives the key performance indicators of management, is to return value to the shareholders by creating sustainable cash flow and profitability through:

- growing its customer base in Southern Africa, West Africa, South America and further afield;
- strengthening its license to operate in the jurisdictions in which it operates;
- forming strategic partnerships with other industry participants;
- leveraging its role in the circular economy to diversifying into processing of platinum group metals ("PGM"), coal and other commodities contaminated material;
- ensuring the sustainability of its operations from an environmental, social and governance perspective; and
- optimising the value to be extracted from the processing of its 2.2-million-ton, TSF.

Goldplat's highly experienced and successful management team has a proven track record in creating value from contaminated gold and other precious metals-bearing material.

The Group follows the responsible gold guidelines as set-out by the London Bullion Mark Association ("LBMA") and our processes are audited on a bi-annual basis, to provide further comfort to its suppliers, partners and customers.

Goldplat has a JORC defined resource (see the announcement dated 29 January 2016 for further information) over part of its active TSF at its operation in South Africa of 1.43 million tons at 1.78g/t for 81,959 ounces of gold.

Since the resource estimate was completed, more than 1,000,000 tons of material have been deposited on the TSF.

Operating results

The recovery operations continued to deliver strong results with profit after tax attributable to owners of the Company of GBP2,798,000 (2022 – GBP3,555,000), a decrease of 21.3% from the previous financial year.

The decrease was driven by increased electricity supply cuts in South Africa, delays at the smelters in Europe and being unable to export material from Ghana due to the delays in the finalisation of Ghana's gold export license.

Before the 2020 financial year, the cashflow generated was invested in sustaining and growing our mining portfolio in Africa, which we exited during the 2021 financial year. Since then, the Group has been focussed on the recovery operations to increase visibility of earnings through:

- Growing its customer base and its raw material supply on site;
- Securing its license to operate through maintain licenses and contained conditions; and
- Securing and extending our role in the circular economy by expanding our business into other commodities.

Growing the customer base

During the year the Group retained all major woodchips and byproduct suppliers and secured additional supplies of material in Ghana and South America. A major supplier is defined as a supplier that supplied a material amount of raw material to the operations during the last financial year.

During previous years we removed low-grade surfaces sources from various sites owned by different entities, whilst during the year we secured a contract with DRDGOLD Limited ("DRDGOLD"), which provides us access to certain low-grade soils. As a result, we have removed material from fewer suppliers, although the quantity available from DRDGOLD has meant that our security of supply for our milling and carbon-in-leach circuits increased to more than 5 years.

The nature of these materials to be removed from DRDGOLD will vary in terms of the gold grade contained and the recoverability of the gold contained through our circuits. The analysis and processing of these materials to date has indicated that it will be viable to remove and process at current cost and price parameters.

Securing pipeline and developing alternative reclamation resources	Units	2023		2022	
Product type		South Africa	Ghana	South Africa	Ghana
Low-grade surface sources	Number	1	0	5	0
Woodchips	Number	6	0	6	0
By-products	Number	5	12	5	6

The percentage contribution on different feed products to operating margins in South Africa does fluctuate from month to month but on average each product type contributes a third of the margins for Goldplat Recovery SA ("GPL"), highlighting each product's significance to the operations. In Ghana, Gold Recovery Ghana ("GRG") margin is derived only from the different types of by-products generated by current mining activities.

Although GPL has retained all contracts during the year the consolidation continues in the South African gold industry; mines are closing or are becoming more efficient in their processing, resulting in reduced volumes and grade of woodchips and by-products received.

As a result, GPL focus is to increase its share of the market in South Africa, securing business of a major mining group in South Africa it is not servicing currently and looking to neighbouring countries to supplement current feedstock.

The focus of GRG in Ghana remains on opening the West African market, specifically securing more feedstock out of Ivory Coast, Mali and other countries. After year-end GRG received its first supply from a mining group in Ivory Coast which provides additional confidence on future supply out of this jurisdiction.

The Group continues to investigate and research different types of discard and waste sources from industry to increase the flexibility in the types of material it processes.

License to operate

Due to the nature of the recovery services the Group provides and the commodities we recover, we require various licenses to operate and need to comply with the conditions of these licenses.

During the year the group continued to invest cost and capital to maintain these licenses and to ensure our operations comply with these licenses.

During the year GRG renewed the Minerals Commission - License to Purchase and Deal in Gold and the Environmental Protection Authority License. The delay in the renewal of the License to Purchase and Deal in Gold in Ghana had a significant impact on GRG's ability to export material and as a result secure material from suppliers.

The Department of Water and Sanitation of the Republic of South Africa has authorised the water use licence of GPL during June 2022 which includes the extraction and use of water in its recovery processes and the impact of its disposal of tailings on a new TSF, according to the conditions set out in the licence, which is valid for 12 years. This has enabled GPL to construct a new TSF that will provide an additional seven years of deposition capacity.

Below is a summary of some of the major licenses required by operations to operate in current jurisdictions:

License to operate	Valid until	2023		2022	
		South Africa	Ghana	South Africa	Ghana
Current licenses	November 2040*	Precious Metals Refining License		Precious Metals Refining License	
	January 2024	Air Emissions License		Air Emissions License	
	Expired*	Mining Right (expired* May 2023)		Mining Right (expired May 2023)	
	Annual	Radio-active License		Radio-active License	
	2034	Water Use License		Water Use License	
	Annual	Precious Metals Import Permit		Precious Metals Import Permit	
	Annual	Precious Metals Export Permit		Precious Metals Export Permit	
	Annual		Ghana Freezone Authority		Ghana Freezone Authority
	May 2026		Minerals Commission - License to Purchase and Deal in Gold		Minerals Commission - License to Purchase and Deal in Gold
	18 December 2025		Environmental Protection Authority License		Environmental Protection Authority License
	New application	Waste License			

* GPL does not require a mining right in South Africa to continue its operation and is conducting its operations under a Precious Metals Refining License which only expires in November 2040. As GPL does not have an identified mineral deposit and does not extract any ore from a mineral deposit, it could not renew its mining right per the Department of Mineral Resources and Energy ('DMRE'). We have applied to the relevant Government authorities to convert the existing environmental management plan in place to an integrated environmental authorization and waste management licence. We await their response.

CEO Report Continued

Circular economy

Goldplat has a pivotal role to play in the circular economy that extends to the extraction of minerals to re-processing of what would typically be dumped as waste materials. It also extends to responsible mining and business practices that underpin Goldplat as a sustainability partner for large mining groups.

During the year all of our operating profit was derived from the processing of discards or waste materials from historic or current mining activities.

Goldplat believes that it can extend this pivotal role it is playing in the circular economy to the gold industry in South America and into other commodities including the platinum and coal mining industry in South Africa.

As a result, we made a strategic investment of GBP150,000 to obtain the usage of a small spiral plant for our gold operations in South Africa and acquired a 15% shareholding in a fine coal recovery technology company. Goldplat has an option to invest an additional GBP1.5m, which will increase our shareholding in that business to above 50%. This investment would be used to operationalize the technology through the construction of a fine coal washing plant in Mpumalanga, South Africa.

Management is still evaluating this option which would provide us diversification in our recovery operations into a different commodity, namely coal, of which significant resources are available in South Africa, with opportunities not just for processing but also for environmental rehabilitation.

During the year we invested capital to increase our ability to process precious metal group minerals and engaged with potential partners that can assist in increasing supply of material out of the PGM industry.

In addition, the Group has decided to acquire land in South America, specifically Brazil, a process which has not been completed to date, at a value of circa GBP103,000. The decision was driven by the need to establish an address in South America from which we can service our clients. In time we plan to increase operational plant capacity in Brazil to provide solutions for lower grade material not processable at our other plants due to the cost of transport to those facilities.

Tailings Facility

With the approval of the water use license, GPL constructed a new TSF, which is adjacent to the current TSF, which was completed in August 2023 and is currently being commissioned over a period of 9 months. The new TSF has sufficient capacity to store the tailings we will produce in our current operations for the next seven years.

The new TSF has been constructed by using regulated synthetic liner and design drainage which should enable more process water to be re-used in the plant and reduce seepage and contamination of ground water.

The new TSF allows us to divert all deposition from the current facility, which will provide us with the ability to use the current facility to recover the JORC resource through DRDGOLD. The processing of our old TSF remains dependent on the approval of the water use license over certain areas for the installation of a pipeline to the DRDGOLD process facility. The application process is ongoing with engineering designs being finalised with final application to be done before end of December 2023. Approval is estimated to be received within Q4 of the 2024 financial year.

DRDGOLD and Goldplat Plc are currently in the process of evaluating different variables that will impact on the processing of the TSF, as well as the commercials of doing so; this process will be completed alongside the water use license. To enable us to process the current TSF through a DRDGOLD facility, we will require approval to install a pipeline to this DRDGOLD processing facility (as indicated in paragraph above) and will need to finalise commercial agreements with DRDGOLD.

Electricity Supply

During the year, the South African operation lost circa 13% of its production hours due to electricity supply outages, which has a significant impact on our lower grade circuits. The lower grade circuits operate continuously, and any hours lost result in a loss of production.

Due to the increased uncertainty of electricity supply in the medium term, we have decided to invest in diesel generators which will be able to sustain operations in South Africa during electricity cuts. The capital cost of these investments will be GBP750,000 and will be financed over 36 months with one of our local banks. Based on 25% of available hours expected to be lost during the next 24 months, we expect that the capital cost of the generators will be recovered within 24 months. During this year, we will also continue to investigate other options to secure electricity supply, for example additional connections to the local Municipality Grid or a new direct connection to Eskom (South Africa Electricity Generator and Supplier); however, the timelines of these options remain uncertain and unclear.

The diesel generators are expected to be operational by the end of January 2024.

Anumso Gold Project – Ghana ('AG')

The gold mining license under the Anumso Gold ('AG') project expired during March 2021 and was not renewed as was the intention of the Company and the joint venture partner, Desert Gold Ventures Inc. The investment in AG was disclosed as a discontinued operation during the 2021 year. In that year we were informed that mineral right fees since 2013 were outstanding, which is still being disputed. None of the joint venture partners intend to capitalise the AG project to settle the claim and current AG liabilities exceed its assets by the minerals right fees outstanding. The Company's share of outstanding minerals right fees is GBP369,000 and this has been accrued in prior years.

Outlook

Our focus during the year has been, and will continue to be:

- to open up and expand our market share in West Africa and further into the rest of Africa;
- to acquire land in Brazil, and expand our service delivery, specifically on lower grade material in Brazil and elsewhere in South America;
- increase our market share in South Africa and increase client base in neighbouring countries;
- to reduce the of cost of production, specifically on our CIL circuits in South Africa;
- to agree commercial terms on the reprocessing of the TSF with DRDGOLD and finalise the regulatory requirements to allow us to pump material through a pipeline to the DRDGOLD facility;
- leveraging our strength and capabilities through the processing of other precious metals and commodities.

The recovery operations have nearly always been cashflow generative and during the year we have utilised some of this cashflow to build the new TSF in South Africa, support working capital levels as a result of delays in renewal of our Gold licence in Ghana and delays experienced on payment from a smelter in Europe. The Company will remain focused on sharing future cashflows with shareholders, specifically distributing cash surplus (above Group's operational requirements and growth plans) to shareholders.

The South African operations will continue to serve the South African gold industry and will focus on sustaining profitability from old mining clean-ups and as part of its diversification strategy will continue investing capital into processing PGM's.

We are working with DRDGOLD to find the most economic methods to reprocess TSF (which has a JORC Compliant Resource of 81,959 ounces) and receiving environmental approval for a pipeline which will be required to transport material to a facility for processing.

Goldplat recognises the cyclical nature of the recovery operations as well as the risks inherent in relying on short-term contracts for the supply of materials for processing, particularly in South Africa where the gold industry is in slow longer term decline. These risks can be mitigated by improving our operational capacities and efficiencies to enable us to treat a wider range of lower grade materials and leveraging on our strategic partnerships in industry to increase security of supply. We will continue to seek materials in wider geographic areas. We shall also keep looking beyond our current recovery operations for further opportunities to apply our skillsets and resources.

Conclusion

The last few years involved a lot of changes in Goldplat's business as we have set out to increase sustainability and growth of our recovery operations. I would like to compliment Goldplat's employees, its advisors, my fellow directors and the Company's shareholders not just for their efforts and support, but for how they have embraced the changes and remained focused on the opportunities they bring. This year we have seen the benefit of these changes and the Board is looking forward to building on this year's successes, creating opportunities from the ever changing environment and returning value to shareholders.

Werner Klingenberg
Chief Executive Officer
15 December 2023

CFO Report

Overview

Goldplat delivered another year of good results despite delays at the smelters in Europe, delays in finalising our gold export license in Ghana, increased electricity supply cuts in South Africa and inflationary pressures.

Goldplat achieved a profit after tax of GBP3,068,000 (2022 – GBP3,963,000), a decrease of 22.6% from the previous year.

Revenue decreased by 3% to GBP41,881,000, whilst the average gold price during the year remained constant at USD1,829/oz (2022 – USD1,833/oz).

The margins of the Group depend upon the volume, quality and type of material received, the metals contained in such material, processing methods required to recover the metals, the final recovery of metals from such material, the contract terms, metals prices and foreign currency movements. During the year, the gross profit margin decreased from 23.1% to 17.7%, which was driven by high volume of high-grade low-margin batches processed in Ghana and impact of electricity supply cuts in South Africa, where less gold was produced for the same fixed costs expensed. This was exacerbated by foreign exchange losses, which increased by GBP685,000.

The table below on the operating performance of the two recovery operations combined (excluding other Group and head office cost, foreign exchange gains & losses, finance cost and taxes) reflects the ability of the recovery operations in South Africa and Ghana to produce profitably at various gold prices and production levels for the last 5 years.

	2023	2022	2021	2020	2019
Average Gold Price per oz in US$ for the year	1,829	1,833	1,846	1,560	1,263
	GBP'000	**GBP'000**	**GBP'000**	**GBP'000**	**GBP'000**
Revenue	41,881	43,222	35,400	24,809	21,769
Gross Profit	**7,422**	**9,994**	**6,199**	**7,312**	**3,114**
Other (Loss)/Income	(96)	53	56	0	0
Administrative Costs	3,021	2,332	1,694	1,977	861
Operating Profit Before Finance Costs	**4,305**	**7,715**	**4,561**	**5,335**	**2,253**

Financial review

The major functional currencies for the Group subsidiaries are the South African Rand (ZAR) and the Ghana Cedi (GHS) whilst the presentation currency of the group is Pounds Sterling (GBP). The average exchange rates for the year are used to convert the Statement of Profit or Loss and Other Comprehensive Income for each subsidiary to Sterling.

As set out in the table below, the average ZAR and GHS weakened against the Pound Sterling by 5.8% and 55.0% respectively. The exchange rates as at the end of the year are used to convert the balance in the statement of Financial Position. As set out in the table below, the ZAR and GHS closing rate depreciated by 20.6% and 49.3% respectively, which resulted in the GBP3,231,000 loss on exchange differences on translation during the year.

		2023 GBP	2022 GBP	Variance %
South African Rand (ZAR)	Average	21.43	20.26	5.8%
Ghanaian Cedi (GHS)	Average	13.7	8.84	55.0%
South African Rand (ZAR)	Closing 30 June 2023	23.87	19.80	20.6%
Ghanaian Cedi (GHS)	Closing 30 June 2023	14.60	9.78	49.3%

Apart from the gold price, the Group's performance is impacted by the fluctuation of its functional currencies against the USD in which a majority of our sales are recognised. The average exchange rates for the year used in the conversion of operating currencies against the USD during the year under review are set out in the table below:

		2023 USD	2022 USD	Variance %
South African Rand (ZAR)	Average	17.78	15.23	16.7%
Ghanaian Cedi (GHS)	Average	11.37	6.66	70.7%

Personnel

Personnel expenses increased by 11.6% to GBP5,214,000 (2022 - GBP4,674,000) during the year as a result of an increase in production personnel from 394 to 415. The increase in personnel has been driven by an increase in production units and the construction of the tailings facility in South Africa. We spent a total of GBP89,000 on various training programmes for our personnel.

Net finance loss

The net finance loss for the year can be broken down into the following:

Interest component	2023 GBP	2022 GBP
Interest receivable	69,000	0
Interest payable	(283,000)	(207,000)
Interest on pre-financing of sales	(956,000)	(449,000)
Intercompany foreign exchange income/loss	510,000	(157,000)
Operating foreign exchange losses	(221,000)	(1,071,000)
Net Finance Costs	(881,000)	(1,884,000)

Net finance costs decreased to GBP881,000 (2022 – GBP1,884,000) during the year as a result of:

- Decrease in foreign exchange losses in operations of from GBP1,071,000 to GBP221,000. During the prior year we had a large foreign exchange loss in Ghana due to the depreciation of the GHS against the USD during that year. As we pre-finance a portion of our sales to the smelters, the exchange rate on the day we receive most of our funds was lower than the exchange rate on the day we recognise the sale in our records.
- The Group has a USD loan outstanding to South Africa, at year end the value was GBP1,183,000 (2022 - GBP2,395,000). Due to the ZAR weakening against the USD and the USD strengthening against the GBP, an unrealized profit was created in the Group, which was the major contributor to the intercompany foreign exchange income of GBP510,000.

As a result of delay in finalization of batches at a smelter in Europe, the balance prefinanced increased and the year it remained outstanding increased, resulting in an increase in interest on pre-financing of sales to GBP956,000 (2022 - GBP449,000).

The interest payable on borrowings relates to buy-back of the minority share in GPL during the previous year and increased as a result of the increase in the prime overdraft rate in South Africa during the current year.

Taxation

During the year the income tax expense decreased by more than 80%. This has resulted in a decrease in the effective tax rate from 24.7% to 8.3%, which was driven by the following:

- Decrease in taxation rate of 15.59% for GPL, to 9.84%, due to a change in the mining tax rate formula and a decrease in profits resulting in a lower taxation rate based on mining tax formula applied in South Africa;
- Decrease in GPL profits before taxation from GBP4,648,000 to GBP2,781,000.

GRG is registered as a Free Zone company in Ghana and was taxed at 15% (2022 : 15%) during the current year.

During the year, the dividend from GPL to the Company incurred a withholding dividend taxation charge of 5%. The withholding dividend tax for the year was GBP69,000 (2022 – GBP71,000).

Other comprehensive income

During the year the Group experienced a loss in foreign exchange translation reserve of GBP3,231,000 and was primarily made up of:

- Foreign exchange translation loss in GRG of GBP1,259,000 as a result of devaluation of the GHS during the year against the GBP by 49.3%; and
- Foreign exchange translation loss in GPL of GBP2,169,000 as a result of devaluation of the ZAR during the year against the GBP by 20.6%.

Property, plant & equipment

During the year we spent GBP1,911,000 on the acquisition and construction of plant and equipment, mainly at GPL in South Africa.

We incurred GBP1,480,000 in GPL, with the main contributors to the capital expenditure in the current year being capital incurred on the new TSF project of GBP969,000 and the refurbishment of our oldest CIL circuit of GBP302,000.

We incurred GBP430,000 in GRG, of which GBP263,000 related to the new milling, gravity and flotation circuit increase recoveries from material received. This plant will start operating by Q3 of 2024 financial year. A further GBP123,000 on yellow equipment and GBP44,000 was incurred on the extension and improvements to our laboratory.

Intangible Assets

The intangible assets relate to the goodwill on the investment held in GMR and GPL. The balance has been assessed for impairment by establishing the recoverable amount through a value-in-use calculation, the detail of which has been disclosed in note 5 of the financial statements.

Right-of-use asset

The right-of-use assets decreased during the year by GBP224,000. The primary reason for the decrease is due to assets with a value of GBP230,000 that were transferred to property, plant and equipment, as they are now owned by GPL.

The Group acquired plant and machinery and vehicles on finance leases for GBP146,000.

The remainder of the changes relate to amortisation for the year and foreign exchange movements as indicated in note 19 of the financial statements.

CFO Report Continued

Investment in Caracal Gold

During the year the Company sold all its shares in Caracal for a total consideration of GBP681,000.

Receivable on Kilimapesa sale

GMR is entitled to receive a further 1% net smelter royalty on all production from Kilimapesa up to a maximum of $1,500,000, on any future production from Kilimapesa. As at the end of the year, based on production at Kilimapesa, GBP601,000 is receivable.

Loan receivable

As part of the repurchase of the minority's share, shares were also issued to a new minority in South Africa, in the 2022 year, Aurelian, a portion of which is payable from dividend proceeds. The balance outstanding is GBP164,000.

Inventories

The increase of GBP8,086,000 in the inventory balance, relates mainly to an increase of GBP7,991,000 in inventory at GRG.

	2023 GBP	2022 GBP
Precious Metals on Hand and in Process	16,618,000	8,186,000
Raw Materials	2,462,000	2,730,000
Consumable Stores	1,054,000	1,132,000
	20,134,000	12,048,000

The increase in GRG inventory relates mainly to an increase in precious metals on hand and in process of GBP7,938,000 driven by the inability to export material due to delays in the renewal of the gold export license.

The raw material stock is only held in South Africa, and relates to the low-grade material processed through our Carbon-In-Leach ('CIL') circuits. During the year we've processed some of the high grade, higher cost material, but stock levels remained the same. With the agreement reached with DRDGOLD, by which we can remove and process materials on DRDGOLD premises, we have not just increased the availability of raw material for processing, but also put GPL in a position to operate with lower levels of raw materials at our premises.

Trade and other receivables

The Group's trade and other receivables fluctuates based on grade and volume of batches and material processed during different periods of the year in the two operating entities.

Apart from the gold bullion produced in South Africa, on which payment is received within 14 days, for the remainder of the concentrates we produce, the payment terms on average are between 4 to 6 months.

During the year, the trade and other receivables increased by GBP19,303,000, of which GBP11,328,000 relates to an increase in GRG and GBP7,710,000 to an increase in GPL.

The increase in GRG was mainly due to the delay in outturn of batches delivered to a smelter in Europe. In GPL, the reason for the increase was similar although larger volumes of material delivered to the smelters closer to the end of the financial year also contributed to the year-on-year increase.

Provisions

In terms of section 54 of the regulations of the Minerals Resource and Petroleum Act of 2002, in South Africa, a Quantum of Financial Provisioning is required for activities performed under mining lease. The Quantum was reassessed during the current year and increased by GBP78,000.

Deferred tax liabilities

The deferred tax liabilities decreased during the year from GBP1,013,000 to GBP531,000. The decrease is a result of a reduction in the taxation rate used during the current year in South Africa decreasing from 25.43% to 9.84%. The reduction in tax rate is because the South African subsidiary is taxed on a mining formula tax, which is driven by profitability margins and capital spend. Due to reduction in profitability and increase in capital invested, the tax rate reduced.

Interest bearing borrowings

In the prior year, GPL entered into a ZAR denominated bank facility of ZAR 60 million (approximately GBP3.02 million) with Nedbank, to finance the repurchase of shares from minorities in South Africa. The full ZAR 60 million was drawn during the first half of the prior year and the principal on the bank facility is repayable monthly over 36 months. The interest payable on the facility is the South African Prime Rate plus 1.75%.

GPL provided security over its debtors as well as a negative pledge over its moveable and any immovable property, with a general notarial bond registered over all movable assets. The Group entered into a limited suretyship for ZAR 60 million, in favour of Nedbank.

The balance outstanding on the reporting date was GBP1,183,000 of which GBP898,000 is repayable in the next 12 months.

Refer to note 18 of the financial statements for further disclosure.

Trade and other payables

The increase in trade and other payables of GBP28,225,000, was mainly driven by delays at a smelter in Europe and also the delay of export material in Ghana, due to delay in the renewal of our gold export licence.

In general, we pay our suppliers before we recover the value from material processed and delivered to smelters or refiners. Suppliers are either paid in full or a percentage of the balance is paid until we receive our final results from refiners or smelters. We receive external funding for material delivered to smelters to finance this gap between receipts and payments. During the year the balance funded increased as a result of delays at smelter in Europe to GBP19,054,099 (2022 - GBP7,421,000).

The delay in exports resulted in increases in stock holding and as result contributed to an increase in raw material accruals payable to suppliers to GBP17,799,000 (GBP4,638,000).

Conclusion

Looking forward, we expect inventory, trade and other payables and trade and other receivables to reduce as we start exporting in the first quarter of the new financial year in Ghana and realizing profits on these sales. We remain focused on generating cash to fund our capital spend on compliance projects as well as the generators and creating value for our shareholders.

Brent Doster
Chief Financial Officer
15 December 2023

The Board and Executive Management

BOARD

WERNER KLINGENBERG

Chief Executive Officer (Appointed 2017)

Werner joined Goldplat in 2015 as Group Financial Manager. Within this role he was integral in managing Goldplat's financial and operational affairs. With his knowledge and understanding of the Group's operations, he was appointed to the role of Group Finance Director in 2017. Following a year as interim CEO, he was appointed to the role of Group CEO on a permanent basis in September 2019. Werner qualified as a Chartered Accountant whilst serving his articles with Deloitte in South Africa and has accrued significant commercial experience, both within Southern Africa and at a wider international level, initially working within the telecommunications and retail industries. His extensive knowledge spans across audit and financial management and systems.

GERARD KEMP

Independent Chairman (Appointed 2022)

Gerard Kemp held various positions in investment banking and the mining industry, including the CEO of Kaouat Iron Limited and the Head of the Pamodzi Resources Investment Fund, where he founded Rand Uranium (Pty) Limited, before founding M Squared Resources (Pty) Limited. He also served as director of business development at Rand Merchant Bank, where he spearheaded a number of South Africa's largest Black Economic Empowerment transactions. He also served as head of investment banking at BoE Merchant Bank and as head of equities research at BoE Securities where he was twice rated South Africa's top gold analyst. Gerard Kemp spent 22 years in Anglo American's Gold Division, as a surveyor and as a mineral economist.

SANGO NTSALUBA

Non-Executive Director (Appointed 2017)

Sango is the Chief Executive Officer and founder of Aurelian Capital (Pty) Limited, an investment company which holds a 9.37 per cent interest in Goldplat Recovery (Pty) Limited. He has built an illustrious career within South Africa, spanning over 30 years.

This includes successfully co-founding what is now known as SNG-Grant Thornton, one of South Africa's Big 5 auditing and accounting firms. Alongside a distinguished auditing career, Sango has extensive corporate experience in areas that include logistics, and the automotive industry. He currently serves as an independent board of Barloworld Limited, a leading global industrial company listed on the Johannesburg Stock Exchange (JSE) and is the chairperson of the group's audit committee. He also serves on the boards of Kumba Iron Ore Limited and Pioneer Foods Group Limited.

GERARD KISBEY-GREEN

Independent Non-Executive Director (Appointed 2020)

Gerard has built an expansive career in the mining and related financial industry, spanning over 30 years. After graduating as a Mining Engineer in South Africa in 1987, he gained extensive experience working in various management positions for a number of the larger South African mining companies, including Rand Mines Group and the gold division of Anglo American Corporation. During this time, he worked on gold, platinum and coal mines primarily in South Africa and also in Germany and Australia. Gerard subsequently spent 17 years in the financial markets, including five years as a mining equity analyst and 12 years in mining corporate finance. He has worked in South Africa and the UK for banks including JP Morgan Chase, Investec and Standard Bank. Gerard has extensive experience in IPOs, capital raisings, M&A transactions and deals covering a great diversity of commodities and geographic locations. He also has experience in nominated adviser, broker and advisory roles. He has worked extensively in Africa, particularly South Africa, Western and Eastern Europe, the Middle East, Far East, Central Asia and North America. After returning to South Africa as a Managing Director with Standard Bank in 2009, Gerard left the banking industry and joined Peterstow Aquapower, a mining technology development company, as CEO in 2011, before accepting a position in 2012 with Aurigin Resources Inc., a privately-owned Toronto-based gold exploration company with assets in Ethiopia and Tanzania, as President and CEO. Gerard joined Goldplat PLC as a Non-executive Director in 2014 and took over the role of Chief Executive Officer in 2015 a position a resigned from during 2019. He joined Goldplat Plc again as a Non-Executive Director in May 2020.

MARTIN OOI

Non-Executive Director (Appointed in 2021)

Martin is a qualified medical doctor, an experienced entrepreneur and investor. He is the founder and Managing Director of the Serkona Group of private limited companies based in Australia with interests in multiple medical centres, commercial properties, and other unlisted assets. As a director of Goldplat PLC, his focus is on capital allocation decisions and maximising of the per-share intrinsic value of the company. Martin holds and previously held directorships in the last five years in Daws Road Medical (Pty) Ltd, Ooi and Family Custodian (Pty) Ltd, Ooi and Khoo Family One (Pty) Ltd, Ooi and Khoo Family Pty Ltd, Ooi Family Investments Pty Ltd, Prema House Medical Centre Management Group Pty Ltd, Prema House Properties Pty Ltd, Serkona Investments One Pty Ltd, Serkona Investments Pty Ltd, Serkona Medical One Pty Ltd, Serkona Medical Pty Ltd, and Serkona Properties Pty Ltd.

He is a member of the remuneration committee which looks at market norms regarding directors and executive remuneration for recommendation to the board.

EXECUTIVE MANAGEMENT

DOUGLAS DAVIDSON

Group Chief Operating Officer (Appointed May 2023)

Douglas is a Metallurgical Engineer (B. Eng Metallurgy) with 26 years of experience in the mining industry of which 23 years have been in the diamond industry mainly in Namibia and Lesotho. Douglas holds an MBA from the University of Stellenbosch which he completed in 2015.

During his time in Namibia he was seconded from De Beers to Namdeb where he held several senior positions which included Group Metallurgical Lead as well as two Mine Manager positions. He served on EXCO for 5 years out of the 15 years at Namdeb. He played a key role in leading and developing the metallurgical discipline to be fully localised. He led multi- disciplinary operational teams to identify, develop and implement improvement and optimisation strategies.

Recently Douglas held the position of Chief Technical Officer at Namakwa Diamonds with a specific focus on the Lesotho Operations at Kao Mine, operated by Storm Mountain Diamonds. He played a key role in identifying, developing and implementing value accretive and risk mitigating initiatives to improve overall business performance.

BRENT DOSTER

Group Chief Financial Officer (Appointed February 2023)

Brent is a Chartered Accountant (SA) with over 20 years of experience in financial management and administration in Africa across the coal and gold mining sectors.

During this time, Brent has held a number of senior finance positions in BHP Billiton, Anglo American, Asanko Gold and most recently West Wits Mining. He has played a key role in the deployment of a group wide ERP system to improve forecasting and budgetary controls in those organisations as well as leading the Company's procurement processes and commercial negotiations to bring the Asanko Gold Mine into production on time and under budget.

Most recently, he was Group Finance Manager at West Wits Mining. He holds an Honours Bachelor of Accountancy degree.

Directors' Report

The Directors present their report together with the audited financial statements of the Group for the year ended 30 June 2023.

A review of the business and risks (including those relating to financial instruments) and uncertainties is included in the Strategic Report Results.

The Group reports a pre-tax profit from continued operations of GBP3,424,000 (2022 - GBP5,831,000) and an after-tax profit of GBP3,068,000 (2022 - GBP3,963,000).

Major events after the reporting date

There were no major events that occurred after the reporting date.

Dividends

No dividend is proposed in respect of the year ended 30 June 2023 (2022 - GBPNil per share).

Share buy-back

No share buy-backs during the year ended 30 June 2023 (2022: GBP400,000).

Political donations

There were no political donations during the year (2022 - GBPNil).

Corporate governance

Chairman's Corporate Governance Statement

Goldplat adopted the QCA Corporate Governance Code as its recognised corporate governance code (pursuant to the requirements of the AIM rules) and this statement, and other disclosures throughout these financial statements, are presented pursuant to that code. The application to Goldplat's corporate governance of the ten principles of the QCA Code are further set out on Goldplat's website, www.goldplat.com, under Corporate Governance, as envisaged in the QCA Code.

It is the Chairman's responsibility to establish and monitor effective corporate governance. Each member of the Board believes in the value and importance of good governance practices in promoting the longer-term development of the group. The Board considers that it does not depart from any of the principles of the QCA Code and recognises that monitoring and developing its governance structure is a continuous process. We actively take account of the views of our shareholders and professional advisers in considering our practices.

Risk management

The Company's business model is set out in this Annual Report, whilst the Strategic Report sets out the strategy and the principal risks and uncertainties, together with the steps taken to promote the success of the Company for the benefit of members as a whole.

The Board reviews progress both in terms of delivery of key strategic initiatives and the financial performance of the operating entities on at least a quarterly basis. In this, the Board actively seeks to identify and mitigate risks of the Group and its businesses.

Set out in the Annual Report under The Board are biographies of each director including their experience's relevance to their responsibilities at Goldplat, whether they are independent and their length of service as directors of the Company. The number of meetings of the Board and the attendance record is set out in the Directors Report. The activities of the board committees are reviewed below.

Each director is expected to keep their skillsets up-to-date and relevant to Goldplat through continual development, both within Goldplat and from other business interests, as well as through membership of relevant professional bodies.

No external assessment of board performance was undertaken during the year, however, the views of shareholders are taken into account.

The Board has established an audit committee and a remuneration committee with formally delegated duties and responsibilities:

- Audit Committee Report

The Audit Committee members are Gerard Kemp and Sango Ntsaluba. Gerard is an investment banker and Sango is a Chartered Accountant (SA). The committee's terms of reference are available on the website. The Audit Committee met twice during the year ended 30 June 2023 to discuss planning of the annual audit and matters arising from the audit. Representatives from the auditors were in attendance.

The Audit Committee reports verbally to the full board ahead of the Board approving the accounts for the year in relation to matters arising from the audit which have been raised by the auditors. The Audit Committee did not undertake a separate review of risk identification and risk management across the group as these matters (including the separation of executive responsibilities) are considered by the whole board on a regular basis, at least quarterly.

The Group's auditors, PKF Littlejohn LLP, were appointed in 2023 and provide no other services to the Group. The two principal operating entities are separately audited by local firms and their work is subject to review by the Group auditor under guidelines of International Standards on Auditing (UK) (ISAs (UK)) and applicable laws.

The two Audit Committee meetings held during the year were attended by both members.

- Remuneration Committee Report

The Remuneration Committee members are Gerard Kisbey-Green and Martin Ooi. The committee's terms of reference are available on the website. The committee met twice during the year. The Committee's recommendations are reported to the full board, but it does not prepare a written report. Any recommendations are subject to approval by the whole board.

Goldplat seeks to retain and incentivise an effective executive management team capable of delivering on the Group's operational requirements as well as its strategic goals. To this end, it is the Group's policy to have clear and simple remuneration structure, in line with many companies on the AIM market of a comparable size. Under this, executive directors receive base salaries and may, on a discretionary basis, receive performance related pay as approved by the non-executive directors.

Additionally, as a longer-term incentive, seeking to align the interests of executive directors over the medium term with those of shareholders, on a discretionary basis, executive directors may be granted options to acquire ordinary shares in the Company. It is the Company's practice that option awards are made at market price at the time of award and vest and become exercisable over a year (usually three years) sufficient to ensure a balance between incentive for the executive and outcome for shareholders.

The executives' salaries take into account the individual's responsibilities within the Group and their professional and technical qualifications, in the context of where the Group operates.

The Group's parent is traded on a public market in the UK and the executive directors' remuneration is referenced to their responsibilities as directors of a UK incorporated company traded on a public market in the UK. The Group has no operations or employees in the UK. The Group's operating entities are in South Africa and Ghana, with each having significantly different remuneration references than the UK, where it employs over three hundred locally based employees. In this context, a comparison of the total pay of the highest paid director to the average pay of all Company employees is not considered to be meaningful as an assessment of the pay of the highest paid director. Executive directors' employment contracts provide for six months' notice of termination on either side.

Director's performance

Board

The responsibilities of the Chairman include the following:

- providing leadership to the Board, ensuring its effectiveness in all aspects of its role and setting its agenda;
- ensuring that adequate time is available for discussion of all agenda items;
- ensuring that the Directors receive accurate, timely and clear information;
- ensuring effective communication with shareholders;
- promoting a culture of openness and debate by facilitating the effective contribution of the Board of Non-Executive directors in particular; and
- ensuring constructive relationships between the Executive and Non-Executive Directors.

The Company provides independent professional and legal advice to all Directors where necessary, to ensure they are able to discharge their duties. In addition, all Board members have access to the services of the Company Secretary, who is responsible for ensuring all Board procedures are complied with.

All executive directors are appointed on a full-time basis and are actively involved in the running of the business. Non-executive directors are required to attend a board meeting quarterly, as a minimum and have made themselves available to support the executive directors.

Directors' Performance

The Board's performance is measured principally by the financial results and by the operations' performance regarding environmental, health and safety and other regulatory requirements and takes into account feedback from shareholders which is regularly received through shareholder meetings and correspondence.

The two remuneration committee meetings held during the year were attended by both members.

During the year, four board meetings were held. All the board meetings were attended by all the board members.

Directors' Report Continued

Directors' interests

The beneficial interests of the Directors holding office during the 2023 financial year in the issued share capital of the Company were as follows:

	30 June 2023		30 June 2022	
	Number of ordinary shares of 1p each	Percentage of issued share capital	Number of ordinary shares of 1p each	Percentage of issued share capital
M S Robinson	400,000	0.24%	400,000	0.24%
M Ooi	48,403,801	28.85%	48,403,801	28.85%
S S Ntsaluba	425,000	0.25%	425,000	0.25%
W Klingenberg	150,000	0.09%	150,000	0.09%
G Kisbey-Green	1,333,334	0.79%	1,333,334	0.79%

No other director had a beneficial interest in the share capital of the Company.

Directors' remuneration and service contracts

Details of directors' emoluments are disclosed in note 23 of the financial statements.

2023

GBP'000	Salaries GBP'000	Fees GBP'000	Other GBP'000	Total GBP'000
M S Robinson	–	15	–	15
W Klingenberg	178	–	62	240
G Kisbey-Green	–	38	–	38
G Kemp	–	28		28
S Ntsaluba	–	30	–	30
M Ooi	–	30	–	30
	178	141	62	381

Management fees of GBP16,802 (2022: GBP16,669) were paid during the reporting year by GPL to its minority shareholders, in which SS Ntsaluba has ultimate shareholding.

2022

GBP'000	Salaries GBP'000	Fees GBP'000	Other GBP'000	Total GBP'000
M S Robinson	–	45	–	45
W Klingenberg	181	–	3	184
G Kisbey-Green	–	30	–	30
N G Wyatt	–	22	–	22
S Ntsaluba	–	30	–	30
M Ooi	–	21	–	21
	181	148	3	332

Directors' options

No directors' of the Company exercised options during the year (2022: Nil).

Directors' indemnities

The Company maintains Directors' and officers' liability insurance providing appropriate cover for any legal action brought against its' Directors and/or officers.

Going concern

The directors assessed that the Group is able to continue in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations.

The assessment of the going concern assumption involves judgement, at a particular point in time, about the future outcome of events or conditions which are inherently uncertain.

The judgement made by the directors included the availability of and the ability to secure material for processing at its plants in South Africa and Ghana, the impact of loss of key management, outlook of commodity prices and exchange rates in the short to medium term and changes to regulatory and licensing conditions.

During the year the Group maintained all our suppliers in South Africa and Ghana for by-product material and increased our footprint in the South American market. Further progress has been made in securing additional contracts in West Africa.

With a secured supplier base and more than 5 years of surface sources on site or on contract, management believes that it will be in a position to operate sustainably for the foreseeable future.

For the 2023 financial year, the Group achieved positive operating profits.

The Department of Water and Sanitation of the Republic of South Africa recently authorised the water use licence of GPL, which includes the abstraction and use of water in its recovery processes and the impact of its disposal of tailings on a new tailings' storage facility ("TSF"), according to the conditions set out in the license, which is valid for 12 years.

The new TSF is being commissioned and the commissioning process is expected to be completed by April 2024. The new TSF will have sufficient capacity to store the tailings we will produce in our current operations for the next seven years.

Ghana's EPA and gold export license were also recently renewed for another 3 years.

To assess the ability of the Group to continue as a going concern, management also needs to assess GPL's ability to meet all relevant covenants, for the foreseeable future, with regard to the South African Rand Denominated bank facility of ZAR60 million.

For the past financial year, GPL met all of its covenant requirements. At the statement of financial position date, GPL still had GBP1.2 million outstanding on the facility.

The Group's forecasts and projections to 31 December 2024, taking account of reasonably possible changes in trading performance, commodity prices and currency fluctuations, indicates that the Group should be able to operate within the level of its current cash flow earnings forecasted for at least the next twelve to fourteen months from the date of approval of the financial statements.

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, thus continuing to adopt the going concern basis of accounting in preparing the annual financial statements.

Licencing

The Group's operations in Ghana and South Africa are dependent on various licences and licensing requirements to carry out its operations. The Group ensures they comply to all reporting requirements under said licensing conditions and remain in good standing with authorities governing these licenses. Currently, all of Gold Recovery Ghana Limited's licenses have been renewed.

Although GPL's mining right expired in May 2023, GPL does not require a mining right in South Africa to continue its operation and is conducting its operations under a Precious Metals Refining License which only expires in November 2040. As GPL does not have an identified mineral deposit and does not extract any ore from a mineral deposit, it could not renew its mining right per the Department of Mineral Resources and Enegry ('DMRE'). We have applied to the relevant Government authorities to convert the existing environmental management plan in place to an integrated environmental authorization and waste management licence. We await their response.

During the year under review, the water license for the South African operations was approved.

Employees

The directors have a participative management style with frequent direct contact between junior and senior employees. A two- way flow of information and feedback is maintained through formal and informal meetings covering the Group performance.

Financial instruments risk

Details of risks associated with the Group's financial instruments are given in note 33 of the financial statements. The Company does not utilise any complex financial instruments.

On behalf of the board

Werner Klingenberg
Director
15 December 2023

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws 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 Company financial statements in accordance with UK-adopted International Accounting Standards and applicable laws. 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 Group and Company and of the profit or loss of the Group for that year.

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;
- state whether they have been prepared in accordance with UK-adopted International Accounting Standards subject to any material departures disclosed and explained in the financial statements; and
- 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 requirements of the UK 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.

Website publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Going concern

The Directors have prepared and reviewed financial forecasts. After due consideration of these forecasts and current cash resources, the Directors consider that the Company and the Group have adequate financial resources to continue in operational existence for the foreseeable future (being a year of at least 12 months from the date of this report), and for this reason the financial statements have been prepared on a going concern basis.

Statement of disclosure to auditor

So far as the Directors are aware:

- there is no relevant audit information of which the Group's and Company's auditor is unaware; and
- all the Directors have taken steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

PKF Littlejohn LLP were appointed as auditors on 12 July 2023 after the Board passed a resolution approving their appointment.

On behalf of the board

Werner Klingenberg
Director
15 December 2023

Strategic Report

The directors present their Strategic Report for the group for the year ended 30 June 2023.

The Strategic Report is a statutory requirement under the UK Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and is intended to provide fair and balanced information that enables the directors to be satisfied that they have complied with s172 of the UK Companies Act 2006 which sets out the directors' duty to promote the success of the Group.

Main Objects and Future Development

The Group's main objective is to recover gold and other precious metals from by-products discarded by primary producers and in doing so, to return value to and provide an environmental solution for the primary producers. Strategically we shall continue to look beyond our current recovery operations for further opportunities to apply our skillsets and resources.

The Group's aim remains to return value to shareholders through the strengthening of the sustainability of cashflow and profitability through; growing its customer base in South Africa, West Africa and further afield; increasing its ability to process lower grade contaminated material through investing into and improving processing methods; forming strategic partnerships in industry; diversifying into processing of PGM contaminated material; and finding a final deposition site for, and optimizing the processing of the TSF material.

Principal Activity

The Group's operating businesses are based in Africa and comprise the production of gold and other precious metals, by processing by-products of the mining industry. The Group sources material to process not only in the African continent, but also from gold producing countries outside Africa.

The Group's primary operating base is situated near Benoni on the East-Rand gold field in South Africa. As well as producing gold, silver and platinum group metals from the by-products of the mining industry, support for the Group's operating subsidiary in Ghana is provided from South Africa. This business is 91% owned by the Group.

The Group's Ghana operation based in the Freeport of Tema continues to develop as a processing hub to service gold producing clients internationally and fully utilise the advantages of the low tax rates in the country's Freezone.

Review of business and financial performance

Information on the operations and financial position including our analysis of our key performance indicators of the Group is set out in the CEO and CFO Report, Chairman's Statement and the annexed financial statements.

The Board regularly reviews the risks to which the Group is exposed and ensures through its meetings and regular reporting that these risks are minimised as far as possible. The material matters below are the principal risks and uncertainties identified by Goldplat.

Material Matters

Material matters are those that can impact the Company's ability to create value in the short, medium and long-term as well as topics that reflect our impact in terms of economic, environmental and social (inclusive of human rights) issues.

We embarked on a formal materiality determination process in the current year that included a materiality workshop for the FY2023 reporting year. This process allowed us to adopt the double materiality approach that takes into account both the financial impacts as well as our impact on the economy, society and environment of the risks and opportunities that are relevant to our business.

Our process of determining material issues

We consider a matter to be material if it substantively affects our ability to create value over the short, medium, and long-term and/or has a significant impact by Goldplat on the economy, society, or the environment.

We have reviewed and applied the following lenses in the determination and assessment of our material matters:

- Risk register - Analysed Goldplat's risks, including year on year movement;
- Peer group analysis - Analysed Goldplat's material matters against a selected peer group;
- Investor relations reports - Analysed reports from investor relations and identified pertinent ESG matters;
- Stakeholder engagements - Analysed minutes of meetings from stakeholder engagements and extrapolated ESG matters;
- Sector trends and thought leadership - Analysed industry trends to identify current risks and opportunities.

Once we determined matters that are material from a stakeholder, operating environment and an enterprise risk perspective, we consolidated these matters into the Goldplat material matters profile that in turn informed our strategic response and direction to these matters.

Our top material matters

The context of each material matter together with associated relevant stakeholder groups impacted, and strategic responses have been set out in the table below:

Strategic Report Continued

Material matter	Material matter context	Stakeholder groups	Strategic response to material matter	Read more
1. License to operate	• Multiple licences need to be maintained and complied with in South Africa, Ghana and jurisdictions we operate in. • During the year our ability to operate was impaired due to the renewal of the gold export license in Ghana being delayed. • The compliance with regulatory operating licenses will be a key sustainability focus area extending to social licence to operate in as far as environmental and social impacts are concerned.	• Equity investors and significant partners • Governmental bodies • Community • Workforce	• With the expiry of the mining license of GPL, we are in the process of converting this to a waste license in South Africa; • GPL is in the process of obtaining a permanent license for the current temporary air emission licence; • Operating entities will continue to manage the conditions and reporting requirements of their licenses;	• CEO's report on page 2
2. Waste and pollution management (including tailings)	• To ensure sustainability of our operations from an environmental, social and governance perspective and also from a licensing perspective, the Group remains committed to manage the impact its operation can have on environment and communities around us. • Key to this is the management of our tailing's storage facility and potential impact it can have on the environment, manage our water use and storm water management, evaluate the impact of our operation on air quality and the safe handling of chemicals used in our processes. • Goldplat is focused on providing an economic method for mines to dispose of waste material while adhering to their environmental obligations and it is important that our internal procedures align with this focus.	• Equity investors and significant partners • Suppliers of gold bearing material • Governmental bodies	• GPL – GBP1,726,000 has been invested in a new TSF since 2021 to extend current capacity, but also provide a better- lined facility that can ensure improved water reticulation and reduce seepage in ground water; • Goldplat operation will continue to invest to improve the quality of its emissions by continuous measurement and testing, improve chemical storage and handling and to handle storm water on our facilities.	• CEO's report on page 2 • Environmental impact section on page 28
3. Health and Safety	• The risk of employees sustaining serious injuries or fatalities in the workplace. • Due to various type of materials we handle and flexibility we apply in processing these materials, the importance of standard operating procedures and review is even more critical. • Health and safety extend across the value chain and includes inbound transport contractors and outsource security functions.	• Workforce • Governmental bodies	• Goldplat has the necessary safety and health policies/procedures in place to ensure our employees are kept safe and injury free. • The business has policies for PPE and preventative measures that are implemented on site.	• Social impact section on page 28

Material matter	Material matter context	Stakeholder groups	Strategic response to material matter	Read more
4. Securing pipeline of resources and developing alternative reclamation resources	The Group remains exposed to the quantity and quality of by- product material it receives from industry. This exposure relates to: • Number of major suppliers we have per operational plant. • Jurisdictions these major suppliers operate in, and specific legislation can impact their ability to supply our plants with materials. • Quantity and quality of feed received as a result of mining companies becoming more efficient in its own processes or mining operations closing underground higher-grade mines and focussing on surfaces sources or mines closing existing operations due to life of mine. • Variability of raw material, with various types of by-products, that differ in type, quality, grade and volume month to month. The quantity of precious metals contained in various types of material and variability in the amount that can be extracted can result in fluctuations from month to month in margins achieved. • Notwithstanding the completion of metallurgical test-work, statistical analysis and pilot studies indicating the results from processing, the actual recovery from material through a plant might vary from the indicated results and the quantity of precious metals recovered or the cost to recover might differ from what was originally indicated. • Securing viable and long-term pipeline of resource is vital to sustainability of the business. Quality and quantity of pipeline is a key success factor.	• Equity investors and significant partners • Suppliers of gold bearing material • Partners and partnerships and alliances.	• GPL is focussed on increasing its share of the gold by-product market in SA, looking at neighbouring countries to increase market and also expanding into other precious metals and commodities. • The focus of GRG in Ghana remains on opening the West African market, specifically securing more feedstock out of Ivory Coast, Mali and other countries. After year-end, GRG received its first supply from a mining group in Ivory Coast which provided additional confidence on the future supply. • The Group continues to investigate and research different types of discard and waste sources from industry to increase the flexibility in the types of material it processes. • Forming strategic partnerships with other industry participants; • GPL has reached an agreement with DRDGOLD which secured short/medium term low grade soil for processing and pursuing tailings retreatment.	• CEO's report on page 2

Strategic Report Continued

Material matter	Material matter context	Stakeholder groups	Strategic response to material matter	Read more
5. Traceability – responsible gold (*Supply chain – Social and environmental)	• Due to the nature of our industry, it is important that we ensure material sourced has been generated responsibility. A responsible source is one where the ownership can be determined and methods through which it has been generated can be verified.	• Suppliers • Smelters and Refiners	• The Group follows the responsible gold guidelines as set-out by the London Bullion Mark Association ("LBMA") and its processes are audited on a bi-annual basis, to provide further comfort to its suppliers, partners and customers. • Goldplat deals with 2 smelters from Europe and a South African smelter.	• CEO's report on page 2
6. Water management	• Water availability and cost is a key consideration considering expected drought conditions due to climate change, specifically in GPL in which certain processes require large volumes of water. • GPL - water reuse and reduced effluent/waste processes being adopted in plant operations. • GPL - during the year under review, the water use license for the South African operations was approved. • Operations are 100% dependent on third party utility providers for water. • The extraction and use of water in Goldplat's recovery processes, according to the conditions set out in the water license.	• Governmental bodies • Community	• GPL – with the commissioning of the new tailings facility the recirculation of water should improve; • Some of the processes within Goldplat allow for recirculation of water. • GPL – in line with our water use license we are looking at upgrading our storm water management to limit contamination of water resources but also increase water recirculation.	• Environmental impact section on page 28
7. Circular economy	• Involves recovery of minerals from mine waste providing a non-extractive source of the minerals while simultaneously rehabilitating closed mine sites. • Supports circular economy concept of recycling, reuse and rehabilitation in the mining cycle.	• Smelters and refiners	• The role of Goldplat in the circular economy is that more than half of operations focus on mine closure processing and balance to extended processing of materials during life of the mine. • Goldplat uses 100% waste from mine to recover and create the final product.	• CEO's report on page 2

Material matter	Material matter context	Stakeholder groups	Strategic response to material matter	Read more
8. Climate change - carbon & resilience	• Physical risks from climate change includes potential drought conditions affecting cost and availability of water and flood conditions affecting storm water and tailings dams. • Carbon emissions per ounce of Gold or other minerals produced could become an export restriction as carbon content tariffs and duties are imposed.	• Governmental bodies • Community	• The business is in the process of developing a storm water drainage system. • The carbon emissions that will be emitted from back-up generators will be assessed by Goldplat in 2024. • Goldplat still need to evaluate the carbon costs of its operations and potential credits its current business also generate due to them processing and recycling waste materials from mines.	• Environmental impact section on page 28
9. Economic & geopolitical landscape	• Economical and market trends that affect prices of commodities, interest rates, inflations rates and exchange rates. • Geopolitical instability can cause significant economic impacts and interruptions in global supply chain and preclude operations/sourcing in restricted countries.	• Equity investors and significant partners • Governmental bodies	• Goldplat has a deleveraged balance sheet. • The business has agility to survive commodity price volatility because of contracts having a short cycle. • Goldplat operates in South Africa and Ghana which are politically stable countries however they do have challenging economic circumstances.	• CEO's report on page 2 • CFO report on page 6
10. Transformation and pay equality	• During the prior year GPL repurchased shares from its BEE minority shareholder, which resulted in a reduction in the Black Economic Empowerment ("BEE") ownership of GPL. Although none of GPL's current licenses to operate were impacted by these changes, the reduction in the BEE ownership can potentially have an impact on securing customers based on its BEE level.	• Suppliers of gold bearing material • Workforce	• The Group and GPL remain cognisant of South African government policy to advance economic transformation and enhance the economic participation of black people in South Africa and will continue to look at means to do so through ownership, management representation, development of employee skills, local enterprise development and participation in local socio-economic development.	• CFO report on page 6
11. Energy Supply	• Reliance on Eskom for electricity supply which is subject to loadshedding at varying levels, significant price increases and high carbon content of electricity supply. • Alternative power supply being sought through diesel generators that in turn come with a high cost of supply and carbon content.	• Governmental bodies	• Investment in diesel generators is a response to the electricity supply problem in South Africa. • The business is also looking at other alternatives to the energy supply crisis in South Africa. • Ghana currently has limited energy supply issues.	• CEO's report on page 2 • Environmental impact section on page 28

Strategic Report Continued

Material matter	Material matter context	Stakeholder groups	Strategic response to material matter	Read more
12. Innovation in mining – extracting deeper value	• As part of addressing resource risk identified as a material matter under point 4 above, innovative practices that can improve recoverability of the gold and minerals, or reduce cost of recovery is critical to sustain, diversify and growth our business.	• Equity investors and significant partners • Suppliers of gold bearing material	• Goldplat does ongoing internal research and development to maximise value from available resources and to develop new potential stream of supply.	• CEO's report on page 2
13. Criminal activity	• Criminal activity includes theft of minerals, corruption and cybercrimes. • Noted that Goldplat is not subject to scourge of illegal mining operations of underground mining operations. • Goldplat has comprehensive security and insurance in place which largely off-sets the risk of theft.	• Community	• The current security company in place does not have any pending cases linked to the business. • There have been no significant losses and no significant business disruptions in the past financial year.	

Directors' section 172 statement

The following disclosure describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) and forms the Directors' statement required under section 414CZA of the UK Companies Act 2006. This reporting requirement is made in accordance with the corporate governance requirements.

The matters set out in section 172(1) (a) to (f) are that a Director must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

(a) the likely consequences of any decision in the long term;

(b) the interests of the Company's employees;

(c) the need to foster the Company's business relationships with suppliers, customers and others;

(d) the impact of the Company's operations on the community and the environment;

(e) the desirability of the Company maintaining a reputation for high standards of business conduct; and

(f) the need to act fairly between members of the Company

In the above Strategic Report section of this Annual Report, the Company has set out the short to long term strategic priorities and described the plans to support their achievement.

We have split our analysis into two distinct sections, the first to address Stakeholder engagement, which provides information on stakeholders, issues and methods of engagement, disclosed by stakeholder group. The second section addresses principal decisions made by the Board and focuses on how the regard for stakeholders influenced decision-making.

Section 1. Stakeholder mapping and engagement activities within the reporting year.

The Company continuously interacts with a variety of stakeholders, such as equity investors, the mining industries as suppliers of gold bearing material, vendor partners, debt providers, legal advisors, workforce, government bodies, local community and refiners of our products. The Company acknowledges the importance of all the stakeholders in the ultimate success of the Company and strives to maintain a high level of transparency in its processes, as it deals in high value materials, and a high degree of reliance is placed on these processes by the stakeholders. Engagement and communication is within the limitations of what can be disclosed to the various stakeholders with regards to maintaining confidentiality and protecting commercially sensitive information.

Who: Key Stakeholder groups	Why: Why is it important to engage this group	How: How Goldplat Plc engaged with the stakeholder group	What: What came of the engagement with stakeholder group
Equity investors and significant partners All substantial shareholders that own more than 3% of the Company's shares are listed on Goldplat Plc website. The Group's largest subsidiary in South Africa, Goldplat Recovery (Pty) Limited, has a non- Goldplat group shareholder holding of 9.37% of issued share capital.	We are seeking to promote an investor base that is interested in a long term holding in the Company and will support the Company in achieving its strategic objectives including the raising of funds to support future growth as and when opportunities present themselves. Our South African partners have significant influence on the Group's flagship operation and it is therefore important to ensure that they are aligned with the Group strategy. Significant shareholders may affect and influence Group strategy as a result of their shareholding.	**Substantial Shareholders:** As announced on October 2021, Martin Ooi, the substantial shareholder of the Company, was been appointed to the board. **Significant partners:** The South African BEE partners are represented on the board of the Company, with a board seat by Mr. Sango Ntsaluba who also acts as Chairman of the South African Subsidiary. **Prospective and existing investors:** • Regular operational and project updates through Regulatory News Service ("RNS"). • The annual and Interim financial reports. • Roadshows and presentations. • Paid for external research by WH Ireland • As a result of the Covid pandemic the Directors plan to have more engagement with all role players via electronic means hosting question and answer sessions, doing online presentations via zoom, updating on twitter and so forth.	The substantial shareholder has increased his shareholding to 28.32% at the time of this report. The Group has divested from its mining segment, and will focus on stabilising and growth of its recovery business and the processing of the Tailings Storage Facility ("TSF") in South Africa. The divesting from mining should have a positive effect over the medium term on the financial result, and reduces the mining and exploration risks. Consequently, without mining diversification, the procurement and reserve risk as set out in the strategic report, increases. It is uncertain at this time how future growth will need to be supported by the shareholders. The CEO presented at a number of investor roadshows and one-to-one meetings. At the Company's AGM on 30 December 2022, all resolutions were duly passed.

Strategic Report Continued

Who: Key Stakeholder groups	Why: Why is it important to engage this group	How: How Goldplat Plc engaged with the stakeholder group	What: What came of the engagement with stakeholder group
Suppliers of gold bearing material: These suppliers are substantially the primary producers from which we procure discarded precious metals, which is the main source of revenue with the only exception being our intention to re-process our own TSF in South Africa.	Without the support of these producers the Goldplat business model could not succeed and therefore can only succeed if it satisfies the needs of these suppliers. To achieve this, Goldplat has to earn the trust of the supplier, perform in a transparent and ethical manner and deliver an acceptable return.	Both parties are in the same industry and due to the commercial relationship between the parties, ongoing engagement is in place. Goldplat has a specific sourcing department, that together with management, maintain the relationship on a day to day basis. During the year we have increased number of employees specifically focussed on sourcing of material, to expand our ability to reach new clients and regularity of contact with current clients. Communication is with the plant operations and management. Supplies are normally delivered based on a written contract which is renewed from time to time.	Every mining company has its own structures within which Goldplat has to operate. Historically we have mostly engaged with Metallurgical and Financial Management. During the past year the directors have adopted a strategy of engaging on the corporate level rather than on mine level envisaging a more standardised service to a Mining group rather than dealing with individual mines. This strategy so far has been relatively successful but the long term success will be dependent on how the different groups that supply the Company prefers to contract. During the year the Group maintained all contracts in Ghana and in South Africa.
Debt providers The Company has entered into a Nedbank facility of GBP 3,000,000 which was utilised to buy back the minority shareholding.	Nedbank provides the facility to enable the Company to buy back the minority shareholding.	Regular meetings and status updates were required by the debt provider. A financial review based on the audited financial statements is required once a year to re-evaluate the covenants.	During the year, we continue to repay the outstanding facility to Nedbank. We continue to discuss and evaluate covenants where required. We have also entered into a new facility to finance the acquisition of the Generator project for the plant in South Africa.
Workforce: The balance of the Company's directors and workforce are based at the operations in South Africa and Ghana. The Company also employs a Sourcing Manager based in Brazil who interacts with the supplies in South America.	The Group employs approximately 330 employees for the recovery operations in South Africa and Ghana. All these countries have low levels of employment and our employees value the job creation and the financial benefits of our activities. The Company understands that our employees have gained specific skills which is vital to sustain our unique recovery businesses. The Company's long-term success is dependent on the continued support of our workforce. The Company also recognises that substantial risk is associated with its senior management teams and directors whose contributions and knowledge of the business is paramount to its success and longevity.	The Company maintains an open line of communication between its employees, senior management and Board of Directors. Every subsidiary in the Group has a worker's forum which meets at least once a month with senior management and directors. These forums are open and can be attended by anyone who has been appointed by the workers. Operational, financial, safety and any relevant topic is discussed freely. During weekly management meetings which is attended by production staff on a rotating basis feedback is given on the state of finances, production issues etc. Most employees are incentivised and from that point of view their objectives are aligned with those of the Company.	The Company's recovery operations successfully re-negotiated all salary and incentive packages effective 1 May 2023. Directors salaries were adjusted by the remuneration committee. Staff turnover throughout the Group is low.

Who: Key Stakeholder groups	Why: Why is it important to engage this group	How: How Goldplat Plc engaged with the stakeholder group	What: What came of the engagement with stakeholder group
Governmental bodies: The Company is impacted by local governmental organisations in the UK, Brazil, South Africa and Ghana.	Goldplat operates in a number of jurisdictions, principally South Africa and Ghana, in a highly regulated environment. Regulation encompasses, inter alia, licensing to process precious metals, royalty agreements, the environment, safety and health of employees and contractors, ownership of operations and community development and participation. Goldplat acknowledges that success will be dependent on the Company's interaction with Government, the workforce and the community in addition to the interest of other stakeholders as described in this document. Additionally, Goldplat seeks to meet the Government's aspirations of the countries within which it operates in terms of maximising the local value- add of its operations and employing and training workforce. The interaction with stakeholders directly influences supply sourcing as well as employment aspirations all of which is closely monitored by Government institutions.	Each operation has a local board with local representation which interacts with the respective Governments. Mostly the interaction is by way of formal reporting on: • Production and Financial results • Safety Reports and Statistics • Environmental updates and compliance reporting. • Scorecards on procurement, shareholding, women in mining and community involvement and local development programs. The operations receive regular visits from Government Inspectors in respect of Health and Safety, Machinery, Labour, Taxation amongst others. Additionally, advisers are retained in each jurisdiction, including legal and auditing. Goldplat's executive management seeks to maintain regular and open dialogue with all regulatory authorities and, as appropriate, local community representatives.	During the year the Group subsidiary in South Africa, has received a Temporary Air Emissions License, which it aims to convert to a permanent license in the future. The South African subsidiary also received a Water Use License during the period, that specifically allows the construction of a new Tailings Facility, which will extend the life of the operation as well as allow it to process the Current Facility to recover the JORC resource of 82,000 ounces. Engagement with the government organisations in the United Kingdom, South Africa and Ghana continues.

Strategic Report Continued

Who: Key Stakeholder groups	Why: Why is it important to engage this group	How: How Goldplat Plc engaged with the stakeholder group	What: What came of the engagement with stakeholder group
Community: The local community in South Africa and Ghana.	The community provides social licence to operate no matter the location.	In South Africa, the community issues are regulated by the Government as part of the South African subsidiaries social and labour plan. The objective is that local communities must benefit from employment opportunities, local procurement and infrastructure initiatives. In Ghana, the community issues are less prominent as the recovery operation is located in the Heavy Industrial area of Tema. Nevertheless, the Government expects the Company to employ from the surrounding area, train its employees and a training levy is also paid to the Free Zone Board.	The Company has ongoing engagements with the local communities in which it operates. In South Africa, the Company is compliant with laws and charters, dictated by government. We continue to invest into infrastructure project and is in process of contributing GBP75,000 to build classrooms for a local primary school. We view the local community as a partner and maintaining a sustainable business in the long term is dependent on this good relationship. These transactions result in a reduction in the Black Economic Empowerment ("BEE") ownership of GRL. However, none of GRL's current licenses to operate are impacted by these changes. The Group and GRL remain cognisant of South African government policy to advance economic transformation and enhance the economic participation of black people in South Africa and will continue to look at means to do so through ownership, management representation, development of employee skills, local enterprise development and participation in local socio-economic development.
Suppliers: All suppliers are important to our Group of companies many of which have had a long relationship with us.	Goldplat, being in the precious metals business, is a price taker and therefore cost control is of utmost importance especially due to the cyclical nature of the metals we sell. By building long term relationships with our suppliers, we improve our chances to survive the cycles.	Our procurement departments continuously interact with our suppliers and senior management and directors meet with critical suppliers at least once a year.	During the year under review, all suppliers continue to submit material for processing. We also entered into an agreement with a new supplier in Ghana during the year.
Smelters and Refiners: Smelters and Refiners take delivery of Doré bars and concentrates for final refining.	Smelter and Refiners are important as it removes the burden of marketing gold and an efficient refiner ensures the Group can monetise its precious metal deliveries quickly and efficiently.	The Company has refining contracts with a number of refiners. Senior executives formally meet at least once a year but interact on a regular basis in normal course of business.	All contracts with Smelters and Refiners remain in good standing and relationships remain strong. During the year one of the Group's major Smelters experienced delays in finalising processing and payment of material delivered due to internal changes. This required active management and most of the batches delivered have been completed as a result. Due to these delays, the Group has spread where material is sent to reduce the impact that service delivery from smelters can potentially have on our business. This enables the Group to maintain low stock levels and improves critical cashflow to support earlier settlement to suppliers of material.

Principal decisions by the Board during the year under review:

We define principal decisions as both those that have long-term strategic impact and are material to the Group, but also those that are significant to our key stakeholder groups. In making the following principal decisions, the Board considered the outcome from its stakeholder engagement, the need to maintain a reputation for high standards of business conduct and the need to act fairly between members of the Company.

During the previous year the directors decided to:

- Increase the Group's interest in GPL, its principal operating subsidiary, from 74% to 90.63% through the buy-back by GPL of GPL shares from its minority shareholders.
- Obtain finance through a South African Rand denominated bank facility of ZAR 60,000,000 (approximately GBP3,020,000) provided by Nedbank, of which 50% was drawn within the 30 days and the remainder in 90 days.
- Conditional on the share repurchase from Amabubesi and Dartingo occurring, GPL has issued 4.90% shares in GPL (after the share repurchase) to Aurelian, a company controlled by Mr Sango Ntsaluba, in order to maintain a BEE partner in GPL and to reduce the cost to the Group of the share repurchase transaction.

These transactions result in a reduction in the Black Economic Empowerment ownership of GPL. However, none of GPL's current licenses to operate are impacted by these changes. Nonetheless, the Group and GPL remain cognisant of South African government policy to advance economic transformation and enhance the economic participation of black people in South Africa and will continue to look at means to do so through ownership, management representation, development of employee skills, local enterprise development and participation in local socio-economic development.

During the current year the Board's focus was predominantly on sustainability of the current operations in Ghana & South America, including the security of our license to operate in different jurisdictions, maintaining our customer and supplier base, increasing market share in South Africa, West Africa and South America.

During the year the Board made the following strategic decisions in regard to growth although investments made into these areas has not been significant:

- To acquire land in South America, specifically Brazil, a process which has not been completed to date, at a value of circa GBP103,000. The decision was driven by the need to establish an address in South America from which we can service our clients. In time we plan to increase operational plant capacity in Brazil to provide solutions for lower grade material not processable at our other plants due to the cost of transport to those facilities.
- During the year we made a strategic investment of GBP150,000 to obtain the usage of a small spiral plant for our gold operations in South Africa and acquire a 15% shareholding in a fine coal recovery technology company. Goldplat has an option to invest an additional GBP1.5 million, which will increase our shareholding in that business to above 50%. This investment would be used to operationalize the technology through the construction of a fine coal washing plant in Mpumalanga, South Africa. Management is still evaluating this option which would provide us diversification in our recovery operations into a different commodity, namely coal, of which significant resources are available in South Africa, with opportunities not just for processing but also for environmental rehabilitation.
- The board believes that both investments support the role we aim to play in the circular economy in various jurisdictions, whereby we maximize commodities recovered from waste material left behind by primary mining. We also believe that these activities should improve the impact left by primary mining and through doing so create more opportunities for communities.
- As a result of the electricity supply cuts during the year the Board decided to supplement current electricity supply with onsite diesel generators at a cost of GBP750,000. Refer to the CEO's report for further considerations in regards with the decision.

On behalf of the board

Werner Klingenberg

Director

15 December 2023

Environmental and Social Report

Environmental and Social Impact Report

Goldplat is committed to sustainable development and recognises that the long-term sustainability of our business is dependent upon not just the responsible stewardship in the protection of the environment but also the impact that our activities have on all stakeholders involved.

Streamlined Environmental Report

The long-term sustainability of our business is dependent upon responsible stewardship in both the protection of the environment and the efficient management of the sourcing, processing, extraction and depositing of by-products or other contaminated material, and the sustainable use of resources for the benefit of all our stakeholders.

The responsible and sustainable management of the environment is part of the core of our business, being the processing and recovery of gold and PGM's from mine waste, slag, fine carbons and other by-products, effectively rehabilitating environments impacted by historical mining operations.

However, we are aware that the Company can, and we do endeavour to improve our waste minimisation measures and energy efficiencies, manage and mitigate the impact on natural ecosystems and ensure effective and appropriate land rehabilitation in areas we operate.

Climate change - carbon & resilience

The impacts of climate change will have a direct impact on our operations over time, specifically in South Africa. We have a water and energy intensive operation, and drought conditions can impact on availability of water, whilst flood conditions can have a significant impact on our infrastructure, specifically our tailings deposition facility. The energy usage might attract a carbon emissions charge in a form that will either increase our cost base or reduce our ability to operate.

We are considering and reviewing these potential impacts on a continuous basis. The construction of the new TSF has been completed on an engineering sign-off design and the necessary quality control applied during the construction process. We have also contracted qualified management to oversee the deposition into the new tailings facility to ensure stability and safety factors are maintained. We have made a decision to reprocess the old TSF through a third-party plant after which it will be deposited on the third party TSF.

The construction of the new TSF should also improve the percentage of water returned to our processes reducing our dependence on water from utility providers. Further to above, we also improving our storm water management, to separate clean and process water more effectively and also capture storm water out of our plant for re-use.

Due to the increased uncertainty of electricity supply in the medium term, we have planned to invest in diesel generators which will be able to sustain operations in South Africa during electricity cuts. As a result of the limited supply and stability of the infrastructure to our facility, solar and other renewable electricity supply was not considered a viable option at this stage.

Energy Consumption and Greenhouse Gas Emissions

During the year the energy consumption used at our operations in South Africa and Ghana, including the fuel burned in our plant or mobile heavy-duty and other vehicles, was 20.330GWh, which resulted in emissions in the order of 20.725tCO2e.

The energy consumption and emissions were determined based on the electricity consumed per metered municipality supply, and internal fuel usages. The fuel used by external parties to transport material to our premises for processing has not been included in our energy consumption and emissions data.

For the emissions intensity ratio we use revenue as a quantifiable factor, as revenue should reflect the fluctuation we experience in supply of material, which will also drive increases or decreases in our energy consumptions and emissions.

	2023		2022	
	Measurement	Intensity Ratio	Measurement	Intensity Ratio
Energy Consumption	20.330Gwh	0.49kwh/Revenue	19.034Gwh	0.43kwh/Revenue
Greenhouse Gas Emissions	20.725tCO2	0.49kg/Revenue	22.634tCO2	0.52kg/Revenue

The reduction in the greenhouse gas emissions during the year is because of electricity supply cuts, which reduced the operating hours of our energy intensive circuits. Our revenue during the year was supported with high grade, high value materials of which processing is not that energy intensive.

The methodology followed to compile the data includes the UK Environmental Reporting Guidelines (Defra, 2019), whilst we also used to make use of the South African Technical Guidelines for Monitoring, Reporting and Verification of Greenhouse Gas Emissions by Industry (2017) for determining some GHG emission conversion factors.

Water and waste management

The various recovery processes used to extract value from the waste material processed require the use of water. The quantity of water used in the processes depend on nature of the material and the recovery process used. The milling and Carbon-in-Leach circuits in South Africa utilise the most water and we try and minimize these by recirculating the water used in the process back to the plant.

During the year a new tailings facility has been constructed, although it has only been commissioned after year end. The base of the facility has been lined with a synthetic liner, with designed drains installed to limit the seepage of water into the ground, but also maximize the recovery and return of process water for re-use. This should increase the percentage of water that will be re-used in our processes.

The water uses in our operation during the year is set-out in the table below:

		2023		2022	
Water management	**Units**	**South Africa**	**Ghana**	**South Africa**	**Ghana**
Potable water sourced from utility providers	mega litres	202	0.017	167	0.023
Surface and ground water extracted	mega litres	0	0	0	0
Recycled water (recirculated water)	mega litres	0	0	0	0
Other water sources	mega litres	0	0.12	0	0.144
Total water used for processing	mega litres	202	0.137	167	0.167

During the year the deposition to our TSF in South Africa reduced by 19% because of reduced processing capacity driven by electricity supply cuts.

Conclusion

Our operations impact on the environment and its stakeholders is more than just our energy consumptions, greenhouse gas emissions, tailings and water usage and extends to positive impacts around our circular economy and mine rehabilitation roles. We will start building a database and establishing baselines in the year to come, to ensure we can appropriately monitor this over time, set targets and develop strategies to reduce the impact of our businesses.

Our People

Our most significant social impact is the employment and growth opportunities that we offer to our 454 employees across our South African and Ghanian operations. We strive to ensure that our employees are rewarded at a level of fair remuneration relative to market and living wage levels as well as ensuring that there is no discrimination in pay levels.

The diversity of our people needs to reflect the population dynamics in the countries that we operate in from a gender and race perspective. We do recognise that there are imbalances that need to be addressed at gender and senior manager levels but we do celebrate the diversity that has been developed in our people.

		2023		2022	
Transformation & pay equality	**Units**	**South Africa**	**Ghana**	**South Africa**	**Ghana**
Permanent employees and full time equivalents	#	348	106	331	91
Contractors	#	23	0	40	0

		2023				2022			
		South Africa		Ghana		South Africa		Ghana	
Diversity - gender	**Units**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**
Local Board	#	3	0	3	0	3	0	3	0
Senior management	#	3	1	5	0	3	1	4	0
Management	#	53	13	6	1	53	12	4	0
Employees	#	250	25	85	6	234	25	76	4

Environmental and Social Report Continued

		2023				2022			
		South Africa		Ghana		South Africa		Ghana	
Diversity - race	Units	Black	White	Black	White	Black	White	Black	White
Local Board	#	2	1	0	3	2	1	0	3
Senior management	#	2	2	5	0	2	2	4	0
Management	#	39	27	7	0	35	30	4	0
Employees	#	271	4	91	0	256	3	80	0

		2023		2022	
	Units	Male	Female	Male	Female
Group Board	#	5	0	7	0

We also recognise that developing and retaining the talent that we require to execute against our strategy and growth aspirations requires continued investment in the training and development of our employees all the way from basic education enhancements and on the job training all the way through to business school and engineering qualifications.

	2023		2022	
Technical skills development	South Africa	Ghana	South Africa	Ghana
Employee training spend	GBP56k	GBP33k	GBP43k	GBP19k

Health and Safety

Health and safety are imperative in the mining sector and always a priority in training, standards and processes that we have put in place across all of our operations. Whilst the nature of our operations above ground does not carry the safety risks of an underground mining operation, we treat safety as a number one imperative and priority in everything we do.

Through the application of our safety policies and procedures we have had no fatalities in the past 2 years and limited reportable injuries. Our lost time injury frequency rates are higher than expected as any on the job injuries do need to be treated offsite and thus result in extended treatment down-time.

		2023		2022	
Health and safety	Units	South Africa	Ghana	South Africa	Ghana
Number of fatalities	Number	0	0	0	0
Reportable injuries	Number	15	3	13	4
Lost Time Injury Frequency Rate (LTIFR)	Number	13.5	4.35	11.7	16.29
Reportable Injury Frequency Rate (RIFR)	Number	1.37	0.77	1.07	1.2

Independent Auditor's Report to the members of Goldplat Plc

Opinion

We have audited the financial statements of Goldplat PLC (the 'Company') and its subsidiaries (the 'Group') for the year ended 30 June 2023 which comprise the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Profit and Loss and Other Comprehensive Income, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 30 June 2023 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK- adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's cash flow forecasts for the going concern period being twelve months from the date of signing the financial statements;
- Ensuring the mathematical accuracy of the cash flow forecasts;
- Comparing actual results post year-end to forecasts to assess the forecasting ability and accuracy of management;
- Holding discussions with management to understand the cash flow forecasts including the key inputs used and sources of these inputs;
- Challenging management on the appropriateness of key assumptions and judgements used; and
- Identifying events subsequent to the year-end, which would be expected to impact the Group and Company and hence the directors' assessment of going concern, and challenging management thereon to ensure that they had been factored into management's assessment.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Independent Auditor's Report to the members of Goldplat Plc
Continued

	Group financial statements	Company financial statements
Materiality for the financial statements as a whole	GBP 160,000	GBP 150,000
Basis of materiality	5% of Profit Before Tax ("PBT")	1% of Net Assets
Rationale Benchmark	We considered PBT to be the most relevant performance indicator of the Group. This is because the users of Groups financial statements are primarily shareholders and the Group is not heavily reliant on external funding. Furthermore, the Group is no longer in the "growth phase" and as such users of the financial statements are concerned with the profitability of the Group.	The Company operates primarily as a holding company and as such, we consider net assets as the key metric.
Rationale Percentage	The percentage applied to the benchmark has been selected to bring into scope all significant classes of transactions, account balances and disclosures relevant for the shareholders, and also to ensure that matters that would have a significant impact on the results were appropriately considered.	
Performance materiality (70%)	GBP 110,000	GBP 105,000
	In determining performance materiality, we considered the following factors: • management's attitude to correcting misstatements identified; • our cumulative knowledge of the mining refinery industry and its specific trends; • the consistency in the level of judgement required in key accounting estimates; • the stability in key management personnel; and • the level of centralisation in the Group's financial reporting controls and processes.	

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes.

For each significant component in the scope of our audit, we allocated a materiality based on the maximum aggregate component materiality. The range of materiality allocated across components was between GBP150,000 and GBP110,000. Materiality for material non-significant components of GBP 112,000 was calculated based on a percentage of Group revenue.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above GBP 8,000 as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Our approach to the audit

In designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain. We note that the Group has a material goodwill balance which is subject to impairment assessment. This requires a significant amount of judgement by management. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by management that represented a risk of material misstatement due to fraud.

We determined that of the seven subsidiaries of the Group there were five significant components, three of which were material. A full scope audit was performed on the complete financial information of components which were assessed as material and significant. No components were considered material but not significant.

For the remaining components not considered material, we performed a limited scope analytical review together with substantive testing, as appropriate, on Group audit risk areas applicable to those components based on their relative size, risks in the business and our knowledge of the entity appropriate to respond to the risk of material misstatement.

The two material and financially significant components were located in the Republic of South Africa and Ghana. The components in these locations were audited by firms outside of the PKF network operating under our instruction. The Company audit was performed in London, conducted by PKF Littlejohn LLP using a team with specific experience of auditing mining companies and publicly listed entities. We interacted regularly with the component audit teams during all stages of the audit and we were responsible for the scope and direction of the audit process. This, in conjunction with additional procedures performed, gave us appropriate evidence for our opinion on the Group and Company financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our scope addressed this matter
Revenue recognition (Note 2.11 and 22)	

Revenue recognised in the year amounted to GBP 41,881,000 (2022: GBP 43,222,000).
 	
The Group generates its revenue from the sale of precious metals. The Group recognises this revenue when the metals are delivered to the customer and the customer takes control of the metals in line with the contractual terms.
 	
The sales price is estimated by management on a provisional basis as 95% of market price at the end of the month in which the material is delivered to the refiner. Consequently, there is a risk that revenue is not recognised in accordance with IFRS 15 *Revenue from Contracts with Customers*. Specifically, there is potential for cut off errors arising around the timing of the recognition of revenue and accuracy errors arising from the sales transactions which require estimated valuations to conclude on pricing.
	Our work in this area included:
	
	• Documenting our understanding of the internal control environment in operation for material revenue streams and undertaking walk-throughs to ensure that the key controls within these systems have been operating in the period under audit;
	
	• Reviewing a sample of contracts with customers to verify the appropriateness of the Group's revenue recognition policy and the requirements of IFRS 15;
	
	• Substantive transactional testing of revenue recognised in the financial statements by agreeing invoices to:
	  • third-party gold valuation documents;
	  • delivery documentation; and
	  • gold prices and exchange rates from independent sources of information
	
	• Assessing the appropriateness of the variable consideration restraint applied in the recognition of provisional revenue;
	
	• Verifying revenue recorded immediately before and after the reporting date to the nominal ledger and assessing whether revenue had been recorded in the correct period through a review of the documentation relating to the independent assay valuations and deliveries to ensure the recognition criteria was met; and
	
	• Reviewing the financial statements for appropriateness of disclosures in accordance with IFRS 15.

Inventory (Note 2.4 and 11)	
The Group holds a material amount of inventory at year end of GBP 20,134,000 (2022: GBP 12,048,000). The Group's inventories comprise raw materials and precious metals on hand and in process. Management must make an assessment at each year end in order to establish whether or not the carrying value of inventory is impaired, including making estimates regarding costing, grade of ore and gold prices.	Our work in this area included: • Requesting component auditors attend the subsidiaries' stocktakes to ensure that the stock exists, and the recording of stock quantities is complete; • Following up the stocktake attendance by confirming that counted items are correctly included on the final stock sheets and that any discrepancies arising are resolved; • Discussing with management their methodologies for valuing inventory to ensure these methodologies are consistent across the Group and are in line with IAS 2;

Independent Auditor’s Report to the members of Goldplat Plc
Continued

Key Audit Matter	How our scope addressed this matter
Accordingly, there is the risk that the value of inventory is not accounted for in line with IAS 2 *Inventories* and is thus materially misstated. Specifically, there is a risk that inventory: • has been valued using cost inputs and allocated overheads which are not wholly attributable to its production; • has been valued with inputs such as the volumes and grades that are not supported by independent valuations from an expert; and • has fallen below its resalable value.	• For a sample of stock items, reviewing purchase invoices and the cost absorption work papers on a sample of inventory items held at the year end to ensure that the prices used are accurate; • For a sample of stock items, comparing the net realisable value (NRV) (e.g., the post year-end sales price) to the cost price on a sample of inventory items to ensure that inventory is valued at the lower of cost and NRV; • Reviewing slow moving inventory items and assessing whether the provision for such items is complete and challenging the judgements and estimates management made in their calculation; and • Reviewing the associated disclosures in the financial statements and assessing the appropriateness of such disclosures.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company 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.

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the Group and Company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the Group and Company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management and the application of our experience of the mining services sector.
- We determined the principal laws and regulations relevant to the Group and Company in this regard to be those arising from the:
  - Companies Act 2006;
  - UK-adopted international accounting standards;
  - Quoted Companies Alliance Code;
  - Local laws and regulations in the jurisdictions of the subsidiary entities;
  - AIM Rules;
  - Health and Safety Laws; and
  - Anti-bribery and anti-money laundering regulations.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Group and Company with those laws and regulations. These procedures included, but were not limited to:
  - Holding discussions with management and the audit committee and considering any known or suspected instances of non-compliance with laws and regulations or fraud;
  - Reviewing board meeting minutes;
  - Reviewing Regulatory News Service (RNS) announcements;
  - Ensuring adherence to the terms within the licences, including environmental conditions; and
  - Reviewing legal and regulatory correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls and revenue recognition, that the potential for management bias was identified in relation to the valuation of goodwill and investments. We addressed this by challenging the assumptions and judgements made by management when auditing that significant accounting estimate and ensuring that there were adequate disclosures included in the respective notes including the disclosures within critical accounting estimates.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- As part of the Group audit, we have communicated with component auditors the fraud risks associated with the Group and the need for the component auditors to address the risk of fraud and any instances of non-compliance with laws and regulations in their testing. To ensure that this has been completed, we have reviewed component auditor working papers in this area and obtained responses to our Group instructions from the component auditors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's Report to the members of Goldplat Plc
Continued

Use of our report

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 an auditor's report 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.

Daniel Hutson (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP Statutory Auditor
15 Westferry Circus
Canary Wharf
London E14 4HD
15 December 2023

Statements of Financial Position – Group and Company

Figures in £'000	Notes	Group 2023	Group 2022	Company 2023	Company 2022
Assets					
Non–current assets					
Property, plant and equipment	4	5,265	4,763	–	–
Right–of–use assets	19	352	576	–	–
Intangible assets	5	4,664	4,664	–	–
Investment in subsidiary or associate	6	1	1	20,274	20,274
Unlisted investments		63	–	–	–
Receivable on Kilimapesa sale	8	571	556	–	–
Other loans and receivables	10	145	189	–	–
Total non–current assets		**11,061**	**10,749**	**20,274**	**20,274**
Current assets					
Inventories	11	20,134	12,048	–	–
Trade and other receivables	12	29,205	9,902	156	11
Current tax assets		58	100	–	–
Receivable on Kilimapesa sale	8	30	142	–	–
Investment in Caracal Gold	9	–	727	–	–
Other loans and receivables	10	19	8	–	–
Cash and cash equivalents	13	2,977	3,895	5	16
Total current assets		**52,423**	**26,822**	**161**	**27**
Total assets		**63,484**	**37,571**	**20,435**	**20,301**
Equity and liabilities					
Equity					
Share capital	14	1,678	1,678	1,678	1,678
Share premium	14	11,562	11,562	11,562	11,562
Capital Redemption Reserve	14	53	53	53	53
Retained income		12,328	9,530	1,978	1,009
Foreign exchange reserve	15	(9,401)	(6,170)	–	–
Total equity attributable to owners of the parent		**16,220**	**16,653**	**15,271**	**14,302**
Non–controlling interests		1,033	1,150	–	–
Total equity		**17,253**	**17,803**	**15,271**	**14,302**
Liabilities					
Non–current liabilities					
Provisions	16	743	811	–	–
Deferred tax liabilities	17	531	1,013	–	–
Interest bearing borrowings	18	285	1,417	–	–
Lease liabilities	19	37	111	–	–
Loan from group company		–	–	4,873	5,904
Total non–current liabilities		**1,596**	**3,352**	**4,873**	**5,904**

Statements of Financial Position – Group and Company
Continued

Figures in £'000	Notes	Group 2023	Group 2022	Company 2023	Company 2022
Current liabilities					
Provisions	16	207	208	–	–
Trade and other payables	20	43,196	14,971	291	95
Interest bearing borrowings	18	898	978	–	–
Lease liabilities	19	139	259	–	–
Bank overdraft	13	195	–	–	–
Total current liabilities		**44,635**	**16,416**	**291**	**95**
Total liabilities		**46,231**	**19,768**	**5,164**	**5,999**
Total equity and liabilities		**63,484**	**37,571**	**20,435**	**20,301**

The financial statements of Goldplat Plc, company number 05340664, were approved by the Board of Directors and authorised for issue on 15 December 2023. They were signed on its behalf by: Werner Klingenberg, Director.

The notes on pages 51 to 72 are an integral part of these consolidated financial statements.

Werner Klingeberg
15 December 2023

Statements of Profit or Loss and Other Comprehensive Income – Group

Figures in £'000	Notes	Group 2023	Group 2022
Revenue	22	41,881	43,222
Cost of sales		(34,459)	(33,228)
Gross profit		**7,422**	**9,994**
Other income / (loss)		(96)	53
Administrative expenses	24	(3,021)	(2,332)
Profit from operating activities		**4,305**	**7,715**
Finance costs	25	(881)	(1,884)
Profit before tax		**3,424**	**5,831**
Income tax expense	27	(356)	(1,868)
Profit for the year		**3,068**	**3,963**
Profit for the year attributable to:			
Owners of Parent		2,798	3,555
Non-controlling interest		270	408
		3,068	**3,963**
Other comprehensive loss net of tax			
Exchange differences on translation relating to the parent			
Losses on exchange differences on translation		(3,231)	(522)
Total Exchange differences on translation		**(3,231)**	**(522)**
Exchange differences relating to the non-controlling interest			
Losses on exchange differences on translation		(203)	(5)
Total other comprehensive income that will be reclassified to profit or loss		**(3,434)**	**(527)**
Total other comprehensive loss net of tax		**(3,434)**	**(527)**
Total comprehensive (loss) / income		**(366)**	**3,436**
Comprehensive (loss) / income attributable to:			
Comprehensive (loss) / income, attributable to owners of parent		(432)	3,033
Comprehensive income, attributable to non-controlling interests		66	403
		(366)	**3,436**
Earnings per share attributable to owners of the parent during the year			
Basic earnings per share			
Basic earnings per share	28	1.67	2.08
Diluted earnings per share			
Diluted earnings per share	28	1.65	2.05

The notes on pages 51 to 72 are an integral part of these consolidated financial statements.

The Company's individual profit and loss account has been omitted from the Group's annual financial statements having taken advantage of the exemption not to disclose under Section 408(3) of the Companies Act 2006. The Company's comprehensive income for the year ended 30 June 2023 was GBP969,149 (2022 - loss GBP4,286,536).

Statement of Changes in Equity – Group

Figures in £'000	Share Capital	Share premium	Share Redemption Reserve	Foreign currency translation reserve	Retained income	Attributable to owners of the parent	Non–controlling interests	Total
Balance at 1 July 2021	1,698	11,491	–	(5,258)	6,846	14,777	3,637	18,414
Changes in equity								
Profit for the year	–	–	–	–	3,555	3,555	408	3,963
Other comprehensive income	–	–	–	(522)	–	(522)	(5)	(527)
Total comprehensive income for the year	–	–	–	(522)	3,555	3,033	403	3,436
Non-controlling interests in subsidiary dividend	–	–	–	–	–	–	(139)	(139)
Decrease of Non-Controlling Interest (21.30%)	–	–	–	(500)	3,589	3,089	(3,089)	–
Increase of Non-Controlling Interest (4.67%)	–	–	–	110	(787)	(677)	677	–
Decrease of Non-Controlling Interest (4.24%)	–	–	–	(100)	715	615	(615)	–
Increase of Non-Controlling Interest (4.24%)	–	–	–	100	(715)	(615)	615	–
Cost of share repurchase in subsidiary (21.30%)	–	–	–		(3,999)	(3,999)	(413)	(4,412)
Proceeds on issue of shares in subsidiary (4.67%)	–	–	–		716	716	74	790
Cost of share repurchase in subsidiary (4.24%)	–	–	–		(653)	(653)	(68)	(721)
Proceeds on issue of shares in subsidiary (4.24%)	–	–	–	–	653	653	68	721
Cost of Share Options Issued	–		–	–	11	11	–	11
Cost of Company Shares Repurchase	(53)	–	53		(401)	(401)	–	(401)
Shares issued from options exercised	33	71	–	–	–	104	–	104
Balance at 30 June 2022	**1,678**	**11,562**	**53**	**(6,170)**	**9,530**	**16,653**	**1,150**	**17,803**
Balance at 1 July 2022	**1,678**	**11,562**	**53**	**(6,170)**	**9,530**	**16,653**	**1,150**	**17,803**

Figures in £'000	Share Capital	Share premium	Share Redemption Reserve	Foreign currency translation reserve	Retained income	Attributable to owners of the parent	Non–controlling interests	Total
Changes in equity								
Profit for the year	–	–	–	–	2,798	2,798	270	3,068
Other comprehensive loss	–	–	–	(3,231)	–	(3,231)	(203)	(3,434)
Total comprehensive income for the year	–	–	–	(3,231)	2,798	(433)	67	(366)
Non-controlling interests in subsidiary dividend	–	–	–	–	–	–	(184)	(184)
Balance at 30 June 2023	**1,678**	**11,562**	**53**	**(9,401)**	**12,328**	**16,220**	**1,033**	**17,253**
Notes	**14**	**14**	**14**					

The notes on pages 51 to 72 are an integral part of these consolidated financial statements.

Statement of Changes in Equity – Company

Figures in £'000	Issued capital	Share premium	Share Redemption Reserve	Retained income	Total
Balance at 1 July 2021	1,698	11,491	–	(2,887)	10,302
Changes in equity					
Profit for the year	–	–	–	4,286	4,286
Total comprehensive loss	–	–	–	4,286	4,286
Shares issued from options exercised	33	71	–	–	104
Cost of Company Shares Repurchase	(53)	–	53	(401)	(401)
Cost of share options issued	–	–	–	11	11
Balance at 30 June 2022	**1,678**	**11,562**	**53**	**1,009**	**14,302**
Balance at 1 July 2022	**1,678**	**11,562**	**53**	**1,009**	**14,302**
Changes in equity					
Profit for the year	–	–	–	969	969
Total comprehensive income	–	–	–	969	969
Balance at 30 June 2023	**1,678**	**11,562**	**53**	**1,978**	**15,271**
Note	14	14	14		

The notes on pages 51 to 72 are an integral part of these consolidated financial statements.

Statements of Cash Flows – Group and Company

Figures in £'000	Notes	Group 2023	Group 2022	Company 2023	Company 2022
Net cash flows from operations	34	**4,511**	**6,471**	**1,079**	**4,536**
Finance cost paid		(521)	(1,884)	31	(41)
Income taxes paid		(647)	(1,590)	(90)	(69)
Net cash flows from operating activities		**3,343**	**2,997**	**1,020**	**4,426**
Cash flows used in investing activities					
Proceeds from sale of Kilimapesa		–	312	–	–
Proceeds from sale of Caracal		727	–	–	–
Other cash payments to acquire equity or debt instruments of other entities		(126)	–	–	–
Proceeds from sale of property, plant and equipment		30	142	–	–
Acquisition of property, plant and equipment		(1,911)	(850)	–	–
Cost of Share Repurchase from Minority Shareholder in Subsidiary		–	(3,791)	–	–
Cash flows used in investing activities		**(1,280)**	**(4,187)**	**–**	**–**
Cash flows (used in) / from financing activities					
Proceeds from drawdown of interest–bearing borrowings		–	3,031	–	–
Proceeds from issue of shares in Subsidiary to Minority Shareholder		–	247	–	–
Proceeds from exercise of share options		–	104	–	–
Payment of interest–bearing borrowings		(1,620)	(673)	–	95
Cost of Share Repurchase in Company		–	(401)	–	(401)
Repayments of other financial liabilities		–	–	(1,031)	(4,126)
Repayment of leases		(287)	(367)	–	–
Payment of dividend by subsidiary to non–controlling interest		(185)	(139)	–	–
Cash flows (used in) / from financing activities		**(2,092)**	**1,802**	**(1,031)**	**(4,432)**
Net (decrease) / increase in cash and cash equivalents		(29)	612	(11)	(6)
Cash and cash equivalents at beginning of the year		3,895	3,459	16	22
Foreign exchange movement on opening balance		(1,085)	(176)	–	–
Cash and cash equivalents at end of the year	**13**	**2,781**	**3,895**	**5**	**16**

The notes on pages 51 to 72 are an integral part of these consolidated financial statements.

Accounting Policies

1. General information

Goldplat plc is a public company limited by shares domiciled and registered in England and Wales.

The address of the Company's registered office is Salisbury House, London Wall, London, the United Kingdom EC2M 5PS. The Group primarily operates as a producer of precious metals on the African continent.

2. Basis of preparation and summary of significant accounting policies

Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with UK - adopted International Accounting Standards ("IAS") and the Companies Act 2006 as applicable to entities reporting in accordance with IAS ; as applicable to entities reporting in accordance with IFRS.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for derivative financial instruments that have been measured at fair value.

Functional and presentation currency

These consolidated financial statements are presented in Pounds Sterling, which is considered by the directors to be the most appropriate presentation currency to assist the users of the financial statements. All financial information presented in GBP has been rounded to the nearest thousand, except when otherwise indicated.

The Group's subsidiaries' functional currency is considered to be the South African Rand (ZAR), Ghana Cedi (GHS) and the Company's functional currency is Pounds Sterling (GBP) as these currencies mainly influences sales prices and expenses.

Use of estimates and judgements

The preparation of the consolidated and separate financial statements in conformity with UK - adopted IAS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods of the revision if it affects both current and future periods.

Critical estimates and assumptions that have the most significant effect on the amounts recognised in the consolidated financial statements and/or have a significant risk of resulting in a material adjustment within the next financial year are as follows:

- Carrying value of goodwill GBP4,664,000 (2022: GBP4,664,000) (Note 5)
- Inventory - precious metals on hand and in process to the value of GBP16,618,000 (2022: GBP8,186,000) (Note 11)
- Rehabilitation provision GBP743,000 (2022: GBP811,000) (Note 16)
- Useful economic lives (Note 2.3)
- Estimated revenue to the value of GBP27,531,000 (2022: GBP8,620,000) (note 2.11)

2.1 Consolidation

Business combinations

Business combinations are accounted for using the acquisition method at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the excess is negative, a bargain purchase price is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

Accounting Policies Continued

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

On acquisition of a subsidiary, or where a subsidiary has been transferred from another entity within the group, the transaction is fair valued at the date control of the subsidiary passes. The investment is the subsidiary is accounted for at cost, less any provision for impairment, post transaction date.

On disposal of investments in subsidiaries, joint ventures and associated companies, the difference between net disposal proceeds and the carrying amount of the investment is taken to the income statement.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

2.2 Foreign currency translation

Transactions and balances

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

Exchange gains and losses arising on the retranslation of monetary financial assets are treated as a separate component of the change in fair value and recognised in profit or loss. Exchange gains and losses on non-monetary OCI financial assets form part of the overall gain or loss in OCI recognised in respect of that financial instrument.

On consolidation, the results of overseas operations are translated into GBP at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

On loss of control of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of comprehensive income as part of the profit or loss on disposal.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and the fair value adjustments arising on acquisition, are translated to GBP at exchange rates at the reporting date. The income and expenses of foreign operations are translated to GBP at an annual average exchange rate.

Foreign currency differences are recognised in other comprehensive income, and presented in the exchange reserve in equity. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportion of the translation difference is allocated to the non-controlling interest. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and losses arising from such item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income, and presented in the exchange reserve in equity.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operation and translated at the closing rates.

2.3 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment as well as leasehold assets are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

The cost of the mining asset includes the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent costs

Subsequent expenditure is analysed by its nature. Substantial modification done on property, plant and equipment is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance that relate to day-to-day repairs are expensed and substantial modifications are capitalised provided that IAS 16 recognition criteria has been met.

Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis in profit or loss over the estimated useful lives of each component. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Asset class	Useful life / depreciation rate
Buildings	20 years
Leasehold property	lease period
Plant and equipment	10 years
Motor vehicles	5 years
Office equipment	6 years
Environmental asset	life of mine

2.4 Intangible assets

Goodwill

Goodwill that arises on the acquisition of subsidiaries is presented within intangible assets. Intangible assets are initially measured at cost.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognised in profit or loss as incurred.

Amortisation

Except for goodwill, intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Amortisation is included within administrative expenses in profit or loss.

Accounting Policies Continued

Inventories

Consumable stores and raw materials are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average basis and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Precious Metals on Hand and in Process represents production on hand after the smelting process, gold contained in the elution process, gold loaded carbon in carbon-in-leach ("CIL") and carbon-in-pulp ("CIP") processes, gravity concentrates, platinum group metals ("PGM") concentrates and any form of precious metal in process where the quantum of the contained metal can be accurately estimated. It is valued at the average production cost for the year, including amortisation, overheads and depreciation.

Broken ore represents blasted ore, underground or on stockpile, and are measured at the lower of cost and net realisable value. The cost of broken ore is based on production costs and other costs incurred in bringing them to their existing location and condition.

Impairment

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs'). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

2.5 Financial instruments

Expected credit losses

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade and other receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.

Financial assets

The Group has adopted IFRS 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets.

The Group has classified GBP nil (2022: GBP nil) as fair value through profit or loss. The Group's as well as the Company's financial assets measured at amortised cost comprise trade and other receivables, and cash and cash equivalents in the consolidated statement of financial position.

Trade receivables and intra group balances are initially recognised at fair value. Impairment requirements use an expected credit loss model to recognise an allowance. For receivables a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available and has been adopted by the Group/Company. During this process the probability of the non-payment of the receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being reported within the consolidated statement of comprehensive income. On confirmation that the trade and intra group receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Trade receivables will be derecognized when the balance has been settled to the Group or where the balance has been assigned to another party, when such party has been settled.

Impairment provisions for receivables from related parties and loans to related parties are recognised on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset.

Financial liabilities

Financial liabilities are recognised in the Group's balance sheet when the Group becomes party to a contractual provision of the instrument.

Trade and other payables, including invoice financing creditors are recognised at their cost which approximates to their fair value.

(i) Non-derivative financial liabilities

The Group initially recognises debt securities issued on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Other financial liabilities comprise loans and borrowings, finance lease obligations, and trade and other payables.

(ii) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Other financial assets

Other financial assets are recognised initially at the fair value, including transaction costs. The asset will subsequently be measured at fair value and are grouped into levels 1 to 3 based on the significance of the inputs used in the valuation. The financial assets from the Kilimapesa sale has significant inputs and is therefore included in level 3.

Please see below more details on the above levels mentioned:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently carried at amortised cost.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within trade and other payables in current liabilities on the consolidated statement of financial position.

2.6 Tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Group statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Accounting Policies Continued

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and deferred tax assets are made to reflect the tax consequences that would follow from the manner in which it is expected, at the end of the reporting period, recovery or settlement if temporary differences will occur.

Deferred tax assets and liabilities are offset only where:

- there is a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same entity within the group or different taxable entities within the group which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Leases

Identifying leases

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

(a) There is an identified asset;

(b) The Group obtains substantially all the economic benefits from use of the asset; and

(c) The Group has the right to direct use of the asset.

The Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Group obtains substantially all the economic benefits from use of the asset, the Group considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRSs rather than IFRS 16.

2.7 Provisions

A provision is recognised in the statement of financial position if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Environmental obligation

In accordance with the Group's environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land is recognised when the land is contaminated.

The estimated long-term environmental obligations, comprising rehabilitation and mine closure, are based on the Group's environmental management plans in compliance with current environmental and regulatory requirements. The amounts disclosed in the financial statements as environmental assets and obligations include rehabilitation. The cost of rehabilitation projects undertaken, which has been included in the provision estimate, are charged to the provision as incurred. The cost of current programs to prevent and control future liabilities are charged to the Group statement of profit or loss and other comprehensive income as incurred.

2.8 Interest Bearing Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the income statement over the period of the borrowings using the effective interest method.

Borrowings which are due to be settled within twelve months after the balance sheet date are included in current borrowings in the balance sheet even though the original term was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the balance sheet date and before the financial statements are authorised for issue. Other borrowings due to be settled more than twelve months after the balance sheet date are included in non-current borrowings in the balance sheet.

2.9 Share Redemption Reserve

A statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares out of distributable profits or, in certain circumstances, from the proceeds of a fresh issue of shares. It is a reserve that cannot be distributed to the shareholders and thus ensures the maintenance of the capital base of the company and protects the creditors' buffer (which gives creditors confidence to invest in the company, e.g. as suppliers or debenture holders).

Subject to the company's articles, the capital redemption reserve may be:

- Used to pay up new shares to be allotted to members as fully paid bonus shares.
- Reduced (or cancelled) by means of a reduction of capital. In accordance with article 3 of the Companies (Reduction of Share Capital) Order 2008, the reserve created on such reduction can be treated as a realised profit and, therefore, it may be distributed to shareholders or used to buy back shares.

2.10 Investment held at fair value through profit/loss

Investments are classified as long term investments and current investments. Current investments are in the nature of current assets, although the common practice may be to include them in investments. Investments other than current investments are classified as long term investments, even though they may be readily marketable. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued (which, in appropriate cases, may be indicated by the issue price as determined by statutory authorities). The fair value may not necessarily be equal to the nominal or par value of the securities issued.

For current investments, any reduction to fair value and any reversals of such reductions are included in the profit and loss statement.

2.11 Revenue

Revenue from precious metal sales is recognised when transfer of control takes place when the product has been delivered under the terms of the contract at the refiner or smelter premises. The sales price is estimated on a provisional basis as 95% of market price at the end of the month in which the material is delivered to the refiner. Management estimate is based on evaluation of historical data to ensure on average the revenue recognised is in line with what can reasonably expected. Management does review this on an annual basis and will adjust these estimates based on historical data, if and when required. The estimates used are in line with prior years.

Adjustments to the sales value occur based on the metal content which represent variable transaction price components up to the date of final pricing. Final pricing is based on the monthly average market price in the month of the settlement. The period between the final invoice and provisional invoice is typically three months. The revenue adjustment mechanism embedded within provisional priced sales arrangements has the characteristics of a commodity derivative.

At the end of the year GBP27,531,000 (2022 - GBP8,620,000) of sales was included in trade receivables. This represent 66% (2022 – 20%) of revenue for the year and is still exposed to potential fluctuation in gold price, foreign exchange rate and changes in final assessed gold content which will impact the fair value. Accordingly, the fair value of the final sales price adjustment is re-estimated continuously and changes in fair value recognised , when and in the year it occurs, as an adjustment to the revenue in profit or loss and trade receivables in the statement of financial position. The gold content is adjusted at the year-end retrospectively.

There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the Group no longer has physical possession, has a right to payment on agreed terms and it is considered that the Group has satisfied the performance obligation.

2.12 Employee benefits

Share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value at the grant date. The fair value excludes the effect of non-market based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based payments are set out in note 15.

2.13 Finance income and finance costs

Interest income is accrued on a time basis, by reference to the principal outstanding and the applicable effective interest rate.

Finance costs comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested and foreign exchange gains and losses that are recognised in profit or loss.

Accounting Policies Continued

2.14 Discontinued operations

Discontinued operations are presented in the consolidated statement of comprehensive income as a single line which comprises the post-tax profit or loss of the discontinued operation along with the post-tax gain or loss recognised on the re-measurement to fair value less costs to sell or on disposal of the assets or disposal groups constituting discontinued operations.

2.15 Non-controlling interest

For business combinations completed prior to 1 January 2010, the Group initially recognised any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets. For business combinations completed on or after 1 January 2010 the Group has the choice, on a transaction by transaction basis, to initially recognise any non-controlling interest in the acquiree which is a present ownership interest and entitles its holders to a proportionate share of the entity's net assets in the event of liquidation at either acquisition date fair value or, at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. Other components of non-controlling interest such as outstanding share options are generally measured at fair value. The group has not elected to take the option to use fair value in acquisitions completed to date.

From 1 January 2010, the total comprehensive income of non-wholly owned subsidiaries is attributed to owners of the parent and to the non-controlling interests in proportion to their relative ownership interests. Before this date, unfunded losses in such subsidiaries were attributed entirely to the group. In accordance with the transitional requirements of IAS 27 (2008), the carrying value of non-controlling interests at the effective date of the amendment has not been restated.

Any changes in the non-controlling interest during the period (which will be a change of the non-controlling interest as a result of a change in a present ownership interest which adjust the entitlement its holders had to a proportionate share of the subsidiaries net assets in the event of liquidation), will be recognised by adjusting the present ownership instruments' proportionate share in the recognised amounts of the subsidiary identifiable net assets. These adjustments, relating to the percentage change in the proportionate share) will be recognised in the statement of changes in equity between the non- controlling interest reserve, retained earnings and foreign currency translation reserve.

3. Changes in accounting policies and disclosures

3.1 New standards and interpretations not yet adopted

The Company has not applied the following new, revised or amended pronouncements that have been issued by the IASB as they are not yet effective for the annual financial year beginning 1 July 2022 (the list does not include information about new requirements that affect interim financial reporting). The directors anticipate that the new standards, amendments and interpretations will be adopted in the Company's consolidated and separate financial statements when they become effective. The Company has assessed, where practicable, the potential impact of all these new standards, amendments and interpretations that will be effective in future periods.

3.2 New accounting pronouncements

The standards and amendments listed below will be effective in future reporting periods. It is expected that Goldplat Recovery (Pty) Ltd will adopt the pronouncements on 30 June 2024. The adoption of the new accounting standards and amendments is not expected to have a material impact on the Company's results.

Standard	Effective for annual periods beginning on or after
Classification of liabilities as Current or Non-Current (Amendments to IAS 1)	1-Jan-23
IFRS 17 Insurance Contracts	1-Jan-23
Amendments to IFRS 17	1-Jan-23

During the prior year , through GPL, the Group entered into a ZAR denominated bank facility of ZAR 60 million (approximately GBP3.02 million) with Nedbank. The bank facility is repayable monthly over 36 months and attracts interest at South African Prime Rate plus 1.75%.

GPL provided security over its debtors as well as a negative pledge over its moveable and any immovable property, with a general notarial bond registered over all movable assets. The Company entered into a limited suretyship for ZAR 60 million, in favour of Nedbank. A lower interest rate was granted due to the fact that GPL provided the security and a guarantee on behalf of Goldplat Recovery (Pty) Ltd.

The IFRS 4 standard will be replaced by the IFRS 17 standard in the upcoming financial period. Under the new standard, the Company will have to fair value the benefit received from the differential between the interest rates mentioned above.

Currently, the business is evaluating the impact of IFRS 17.

Notes to the Consolidated and Separate Financial Statements

4. Property, plant and equipment

	Buildings	Leasehold property	Machinery	Motor vehicles	Office equipment	Environ-mental asset	Total
Reconciliation for the year ended 30 June 2023 - Group							
Balance at 1 July 2022							
At cost	346	208	6,754	646	65	695	8,714
Accumulated depreciation	(196)	(144)	(2,884)	(371)	(45)	(311)	(3,951)
Net book value	**150**	**64**	**3,870**	**275**	**20**	**384**	**4,763**
Movements for the year ended 30 June 2023							
Additions	61	71	1,700	–	34	45	1,911
Depreciation	(10)	(1)	(362)	(63)	(7)	(64)	(507)
Recognition of Right of Use assets	–	–	132	98	–	–	230
Disposals	–	–	(9)	(23)	–	–	(32)
Effect of movements in exchange rates	(32)	(17)	(925)	(56)	(6)	(65)	(1,101)
Property, plant and equipment at the end of the year	**170**	**117**	**4,406**	**231**	**41**	**301**	**5,265**
Closing balance at 30 June 2023							
At cost	338	260	7,024	596	86	617	8,921
Accumulated depreciation	(168)	(144)	(2,618)	(365)	(45)	(316)	(3,656)
Net book value	**170**	**117**	**4,406**	**231**	**41**	**301**	**5,265**

	Buildings	Leasehold property	Machinery	Motor vehicles	Office equipment	Environ-mental asset	Total
Reconciliation for the year ended 30 June 2022 - Group							
Balance at 1 July 2021							
At cost	354	218	6,205	737	64	727	8,305
Accumulated depreciation	(190)	(144)	(2,641)	(479)	(45)	(238)	(3,737)
Net book value	**164**	**74**	**3,564**	**258**	**19**	**489**	**4,568**
Movements for the year ended 30 June 2022							
Additions	–	–	828	16	6	–	850
Depreciation	(9)	(1)	(373)	(49)	(4)	(73)	(509)
Recognition of Right of Use assets	–	–	53	166	–	–	219
Disposals	–		(58)	(105)	–	(32)	(195)
Effect of movements in exchange rates	(5)	(9)	(144)	(11)	(1)	–	(170)
Property, plant and equipment at the end of the year	**150**	**64**	**3,870**	**275**	**20**	**384**	**4,763**
Closing balance at 30 June 2022							
At cost	346	208	6,754	646	65	695	8,714
Accumulated depreciation	(196)	(144)	(2,884)	(371)	(45)	(311)	(3,951)
Net book value	**150**	**64**	**3,870**	**275**	**20**	**384**	**4,763**

Notes to the Consolidated and Separate Financial Statements
Continued

5. Intangible assets

5.1 Reconciliation of changes in intangible assets

	Goodwill	Total
Reconciliation for the year ended 30 June 2023 - Group		
Balance at 1 July 2022		
At cost	4,664	4,664
Net book value	**4,664**	**4,664**
Closing balance at 30 June 2023		
At cost	4,664	4,664
Net book value	**4,664**	**4,664**
Reconciliation for the year ended 30 June 2022 - Group		
Balance at 1 July 2021		
At cost	4,664	4,664
Net book value	**4,664**	**4,664**
Closing balance at 30 June 2022		
At cost	4,664	4,664
Net book value	**4,664**	**4,664**

Impairment Testing on Goodwill

Goodwill has been assessed during the current year for any impairment and it was concluded that the goodwill is fairly valued. The recoverable amounts of the CGU's, South Africa and Ghana, were assessed by performing a discounted cashflow forecast model and it was concluded that the recoverable amounts exceeded the goodwill value indicating no further impairment is required to be recognised.

Key assumptions

The recoverable amounts for each CGU are based on value-in-use which is derived from discounted cash flow calculations. The key assumptions applied in value-in-use calculations are those regarding forecast operating profits, gold prices and discount rates

Forecast operating profits

For all CGU's, the Group prepared cash flow projections derived from the most recent forecast for the year ending 30 June 2024. Forecast revenue and direct costs are based on past performance and expectations of future changes in the market, operating model and cost base.

Growth rates and terminal values

For the medium-term and terminal value a growth rate for South Africa and Ghana of 5% and 2% (USD terms) respectively (2022: 0%) was assumed.

Discount Rate

A pre-tax discount rates used to assess the forecast cashflows from CGU's are derived from each CGU's weighted average cost of capital, taking into account specific factors relating to the country it operates in. These rates are reviewed annually by external advisors and adjusted for the risks specific to the business being assessed and the mark in which the CGU operates. The discount rates used during the year for South Africa and Ghana was 18.9% and 15% (2022: 18.1% and 30.5%) (USD terms) respectively.

Sensitivity analysis

A sensitivity analysis has been performed and management has concluded that no reasonably foreseeable change in the key assumptions would result in an impairment of the goodwill of any of the Group's CGUs. A more severe sensitivity analysis has also been performed and management has concluded that no impairment would be required.

6. Investment in subsidiary or associate

6.1 Investments in subsidiaries

Name of subsidiary	Current year Holding	Prior year Holding	Address
Gold Mineral Resources Limited	100%	100%	Trafalgar Court, Admiral Park, St Peter Port, Guernsey
Goldplat Recovery (Pty) Ltd	91%	91%	Daveyton Road, New Modder, Benoni, 1501, South Africa
Gold Recovery Ghana Limited	100%	100%	BCB Legacy House, 1 Nii Amugi Avenue, East Adabraka, Accra, Ghana
Nyieme Gold SARL	100%	100%	Trafalgar Court, Admiral Park, St Peter Port, Guernsey
Gold Recovery Brasil LTDA	100%	100%	Av. Contorno, 2905, Santa Efigenia, 30.110-915, Belo Horizonte/ Minas Gerais, Brazil
Gold Recovery Peru SAC	100%	100%	Calle Martir Jose Olaya, 129, 1101, Miraflores, Lima, 15074, Peru
Midas Gold SARL	100%	100%	Trafalgar Court, Admiral Park, St Peter Port, Guernsey
GRG Tolling Limited	100%	100%	Plot A/55/4 Tema Industrial Area, Tema, Ghana

6.2 Amounts per the statements of financial position - Group and Company

	Group 2023	Group 2022	Company 2023	Company 2022
Opening balance	1	1	20,274	20,268
Increase in investment	–	–	–	6
	1	**1**	**20,274**	**20,274**

The investments in subsidiaries, joint ventures and associates of the Company relate mainly to the investments in GMR, who in turn holds investment in GRG and GPL.

The value of the investment by Goldplat Plc in GMR and GPL was assessed separately due to these being two different cashflow units being held by Goldplat Plc. The recoverable amounts of the CGU's were assessed by performing a net present valuation on the South African and Ghana future cashflows and it was concluded that the recoverable amounts supported the investment in subsidiaries for the current year.

7. Non-controlling interest

During the prior year the Group's subsidiary, Goldplat Recovery (Pty) Limited entered into the following transactions with its minority shareholders. (Cross reference to related party note 30).

- On 23 August 2021 it bought back 22.35% of its shares from the minority shareholders for GBP4,412,048 and issued 4.00% additional shares to minority shareholders for GBP789,628, which resulted in a 21.30% decrease and 4.67% increase in the non-controlling interest respectively.
- On 13 September 2021 it bought back a further 3.65% of its shares from the minority shareholders for GBP720,536 and issued 3.65% additional shares to minority shareholders for GBP720,536, which resulted in a 4.24% decrease and 4.24% increase in the non-controlling interest respectively.

Immediately prior to these transactions, the carrying amount of the 26% non-controlling interest in Goldplat Recovery (Pty) Limited was GBP14,500,794. These transactions results in a decrease in non-controlling interest in Goldplat Recovery (Pty) Limited to 9.37%.

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The net impact of these transaction is summarized per transaction and in total below:

		Attributable to Owners of the Parent				
Date	Change in Non-Controlling Interest	Increase/ (Decrease) in the carrying value of the Non-Controlling Interest GBP'000	Increase/ (Decrease) in share of foreign currency translation loss GBP'000	Increase/ (Decrease) in share of retained income GBP'000	Total movement attributable to Owners of the parent GBP'000	Total equity movement GBP'000
23-Aug-21	-21%	(3,502)	(500)	(410)	(910)	(4,412)
23-Aug-21	5%	751	110	(71)	39	790
13-Sep-21	-4%	(683)	(100)	62	(38)	(721)
13-Sep-21	4%	683	100	(62)	38	721
Total		**(2,751)**	**(390)**	**(481)**	**(871)**	**(3,622)**

As a result of these transactions the non-controlling interest decreased by GBP2,751,010 and equity attributable to owners of the parent decreased by GBP871,409. The decrease in equity attributable to owners of the parent, was as a result of an increase in the parent's share of the negative foreign currency translations reserve to the value of GBP390,463, and a decrease in the parent's share of retained income to the value of GBP480,946.

No changes occurred in the current financial year.

8. Receivable on Kilimapesa sale

Figures in £'000	Group 2023	Group 2022	Company 2023	Company 2022
Receivable from Kilimapesa sale	601	698	–	–

The receivable relates to the 1% net smelter royalty on production of Kilimapesa to the maximum of USD1,500,000.

Figures in £'000	Group 2023	Group 2022	Company 2023	Company 2022
Non-current assets	571	556	–	–
Current assets	30	142	–	–
	601	**698**	**–**	**–**

Other financial assets are recognised initially at the fair value, including transaction costs. The asset will subsequently be measured at fair value and are grouped into levels 1 to 3 based on the degree to which the fair value is observable. The financial assets from the Kilimapesa sale has unobservable inputs and is therefore included in level 3.

Included in the sales price of Kilimapesa is USD1,500,000 in future royalties based on the amount of gold sold by the purchaser. The below valuation was done in order to calculate the GBP601,000 financial asset.

The amount of gold ounces sold will be dependent on various factors including capital allocation, production and sales scheduling and capital availability on Kilimapesa mine. We used forecasts available in the market as at end of the year but actual results might vary.

Valuation technique used	Key unobservable inputs	Relationship between unobservable inputs to fair value
Fair value is determined by making the following assumptions: • The estimated gold sold per year • The average gold price • The selling costs • 1% net smelter royalties are payable annually	Discount rate of 13% has been applied Gold sales: oz • 2023: 3,000 oz • 2024: 15,000 oz • 2025: 15,000 oz • 2026: 15,000 oz • 2027: 15,000 oz • 2028: 15,000 oz • 2029: 9,099 oz (balancing figure to get to USD1,500,000 in royalties) The average gold price of 1,700 USD/oz is used based on historical figures provided, an average selling cost of 5% is applied.	The higher the discount rate, the lower the fair value. The higher the production level, the higher the fair value. The higher the gold price, the higher the value. The higher the costs, the lower the value.

9. Investment in Caracal Gold

Figures in £'000	Group 2023	Group 2022	Company 2023	Company 2022
Opening balance	727	–	–	–
Additions	–	1,367	–	–
Disposals	(727)	(312)	–	–
Change in fair value recognised in profit/(loss)	–	(328)	–	–
Closing balance	**–**	**727**	**–**	**–**
Non-current assets	–	–	–	–
Current assets	–	727	–	–
	–	**727**	**–**	**–**

10. Other loans and receivables

Figures in £'000	Group 2023	Group 2022	Company 2023	Company 2022
Aurelian receivable	164	197	–	–

As part of the share repurchase of minority interest in GPL, the balance that was outstanding from the minorities, Amabubesi (Pty) Ltd, for the original purchase of the shares, was repaid. However, when additional shares was issued to Aurelian, it was agreed that a portion of the proceeds will be recoverable from future dividends. The balance outstanding has been included at discounted value of future proceeds recoverable from dividends.

Figures in £'000	Group 2023	Group 2022	Company 2023	Company 2022
Non-current assets	145	189	–	–
Current assets	19	8	–	–
	164	**197**	**–**	**–**

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11. Inventories

Figures in £'000	Group 2023	Group 2022	Company 2023	Company 2022
Raw materials	2,462	2,730	–	–
Consumable stores	1,054	1,132	–	–
Precious metals on hand and in process	16,618	8,186	–	–
	20,134	**12,048**	**–**	**–**

Inventories are initially recognised at cost, and subsequently measured at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Weighted average cost is used to determine the cost of ordinarily interchangeable items.

During the year inventory (which include all production costs) expensed through the statement of profit and loss was GBP34,459,000 (2022 – GBP33,228,000)

12. Trade and other receivables

Figures in £'000	Group 2023	Group 2022	Company 2023	Company 2022
Trade receivables	27,645	8,620	128	–
Provision for impairment of receivables	(114)	–	–	–
Trade receivables - net	27,531	8,620	128	–
Sundry debtors	1	1	–	–
Prepaid expenses	77	68	10	1
Other receivables	1,404	795	–	–
Value added tax	192	418	18	10
	29,205	**9,902**	**156**	**11**

At 30 June 2023, GBP19,054,099 (2022: GBP7,421,000) of trade receivables had been sold to a provider of invoice discounting and debt factoring services. The Group is committed to underwrite any of the debts transferred and therefore continues to recognise the debts sold within trade receivables until the debtors repay or default. Since the trade receivables continue to be recognised, the business model of the Group is not affected. The proceeds from transferring the debts of GBP19,054,099 (2022: GBP7,421,000) are included in other financial liabilities until the debts are collected or the Group makes good any losses incurred by the service provider.

Movements in the allowance for doubtful debt for trade receivables are as follows:

Figures in £'000	Group 2023	Group 2022	Company 2023	Company 2022
Opening balance	14	–	–	–
Current year adjustment	100	14	–	–
Closing balance	**114**	**14**	**–**	**–**

There overall risk as at 30 June 2023 that the debtors will not meet their payment obligations in respect of the amount of trade receivables recognised in the balance sheet whether past due or not and not provided, is very low. The increase related to prepayments written off in Goldplat Recovery (Pty) Ltd relating to an ongoing dispute with a supplier.

The Company uses the simplified approach for trade accounts receivable and for contract assets. The Company considers a financial asset in default when it is unlikely to receive the outstanding contractual amounts in full. The probability of default takes into consideration financial and non-financial information about customers. The consideration is forward-looking and verified using historical credit losses. Trade accounts receivable are assumed to be credit-impaired if it is unlikely that the customer will fulfil its obligations.

The lifetime estimated credit loss is evaluated and applied to the outstanding trade receivables at end of the year. The estimated credit loss was adjusted for in the current year.

The impairment allowance for bad debts are calculated using a lifetime expected credit loss model in accordance with IFRS 9. There are no receivables subjected to a significant increase in credit loss. The actual doubtful debt allowance for the year end to June 2023 was GBP113,963 (2022: GBP13,648) and the comparatives have not been restated.

13. Cash and cash equivalents

Figures in £'000	Group 2023	Group 2022	Company 2023	Company 2022
Net cash and cash equivalents				
Balances with banks	2,977	3,895	5	16
Bank overdrafts	(195)	–	–	–
	2,782	**3,895**	**5**	**16**

14. Share capital, premium and redemption reserve

Authorised and issued share capital

Figures in £'000	Group 2023	Group 2022	Company 2023	Company 2022
Issued				
Ordinary shares	1,678	1,678	1,678	1,678
	1,678	**1,678**	**1,678**	**1,678**
Share premium	11,562	11,562	11,562	11,562
	13,240	**13,240**	**13,240**	**13,240**
Share reconciliation				
Share Capital outstanding - beginning of the year	1,678	1,698	1,678	1,698
Issued	–	33	–	33
Repurchased	–	(53)	–	(53)
Share Capital outstanding - closing	**1,678**	**1,678**	**1,678**	**1,678**
Share Premium outstanding - beginning of the year	11,562	11,491	11,562	11,491
Issued	–	71	–	71
Share Premium outstanding - closing	**11,562**	**11,562**	**11,562**	**11,562**

15. Reserves

Ordinary shares

All shares rank equally with regard to the Company's residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Share premium

Represents excess paid above nominal value on historical shares issued.

Exchange reserve

The exchange reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Non-controlling interest

Relates to the portion of equity owned by minority shareholders.

Capital Redemption Reserve

Portion of share capital repurchased by the Company.

Notes to the Consolidated and Separate Financial Statements
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16. Provisions

Figures in £'000	Environmental	Other	Total
Balance at 1 July 2022	811	208	1,019
Increase/(Decrease) in provision	78	(1)	77
Effect of foreign exchange movements	(146)	–	(146)
Balance at 30 June 2023	**743**	**207**	**950**
Balance at 1 July 2021	787	–	787
Increase in provision	23	208	231
Effect of foreign exchange movements	1	–	1
Balance at 30 June 2022	**811**	**208**	**1,019**
Non-current portion			743
Current portion			207
Total provisions			**950**

In terms of section 54 of the regulations of the Minerals Resource and Petroleum Act of 2002, in South Africa, a Quantum of Financial Provisioning is required for activities performed under the mining lease. Quantum of Financial Provisioning requires a detailed itemization of actual costs relating to the premature closure, decommissioning and final closure and post closure management. The Company makes use of an independent consultant to calculate the detail itemized actual current costs for rehabilitation and to evaluate any critical estimates and assumptions. The Quantum of Financial Provisioning has been approved by the Department of Minerals Resources in South Africa. The Company has insured the obligation and has ceded the proceeds from the policy to the Department of Minerals Resources. During the current year, the provision held in GPL was reassessed by using an external expert and it was concluded that due to the additional capital expenditure that has taken place over the financial year, the provision had to be increased to account for the additional capital incurred.

Other provisions relate to certain tax claims in the Group subsidiaries. The Group is still contesting these claims, however after engaging with specialists on the matter, it was decided to provide for these claims.

17. Deferred tax

The analysis of deferred tax assets and deferred tax liabilities is as follows:

Figures in £'000	Group 2023	Group 2022	Company 2023	Company 2022
Deferred tax liabilities:	(531)	(1,013)	–	–
- Deferred tax liability to be recovered after more than 12 months	(531)	(1,013)	–	–
Net deferred tax liabilities	**(531)**	**(1,013)**	**–**	**–**

Group	Deferred tax
Opening balance at 1 July 2022	(1,013)
Current charge - temporary difference	309
Effect of foreign exchange movements	174
Closing balance at 30 June 2023	**(531)**
Opening balance at 1 July 2021	(822)
Current charge - temporary difference	(236)
Effect of foreign exchange movements	45
Closing balance at 30 June 2022	**(1,013)**

Comprising:	2023
2023	
Capital allowances	468
Unrelieved tax losses and provisions	63
	531
2022	
Capital allowances	1,160
Unrelieved tax losses and provisions	(147)
	1,013

18. Interest Bearing Borrowings

Figures in £'000	Group 2023	Group 2022	Company 2023	Company 2022
Interest Bearing Borrowings	1,183	2,395	–	–
Non-current portion of interest bearing borrowings	285	1,417	–	–
Current portion of interest bearing borrowings	898	978	–	–
	1,183	**2,395**	**–**	**–**

During the prior year , through GPL, the Group entered into a ZAR denominated bank facility of ZAR 60 million (approximately GBP3.02 million) with Nedbank, to finance the repurchase of shares from minorities in South Africa. The bank facility is repayable monthly over 36 months and attracts interest at South African Prime Rate plus 1.75%.

GPL provided security over its debtors as well as a negative pledge over its moveable and any immovable property, with a general notarial bond registered over all movable assets. The Company entered into a limited suretyship for ZAR 60 million, in favour of Nedbank. The facility is subject to various covenants, requiring certain levels of free cashflow, profitability, solvency and equity levels.

Security provided by GPL:

For the obligations of Goldplat Recovery (Pty) Ltd, the following will apply:

i. A security session of cession of all present and future debtors; and

ii. A Negative Pledge over moveable and any immovable property by Goldplat Recovery (Pty) Ltd.

iii. Limited suretyships of R 60 million (sixty million rand) (incorporating cessions of claims), in favour of Nedbank, by Goldplat Plc.

iv. The registration of a general notarial bond over all moveable assets, reflecting Goldplat Recovery (Pty) Ltd as mortgagor and Nedbank as mortgagee, of R60 million (sixty million rand).

v. The security will be required as continuing security for all the Borrower Facilities of which the Borrower avails itself to from time to time and for the obligations of every Security Provider (as defined below), where applicable.

vi. For the purposes of this Facility Letter, any party other than the Borrower who provides security as described above will be referred to as a 'Security Provider'.

Notes to the Consolidated and Separate Financial Statements
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19. Lease liabilities

19.1 Lease liabilities comprise:

Figures in £'000	Group 2023	Group 2022	Company 2023	Company 2022
Lease obligation	176	370	–	–
Plant, machinery and motor vehicles				
Opening balance on 1 July 2022	370	403	–	–
Additions	170	333	–	–
Interest expense	23	21	–	–
Lease payment	(310)	(388)	–	–
Foreign exchange movements	(77)	1	–	–
Closing balance on 30 June 2023	176	370	–	–
Non-current liabilities	37	111	–	–
Current liabilities	139	259	–	–
	176	**370**	**–**	**–**

19.2 Right of use asset

Figures in £'000	Group 2023	Group 2022
Plant, machinery and motor vehicles		
Opening balance on 1 July 2022	576	574
Additions	170	299
Amortisation	(71)	(76)
Disposals	–	–
Transferred to Property, Plant & Equipment	(230)	(219)
Foreign exchange movements	(94)	(2)
Closing balance on 30 June 2023	**352**	**576**

The average lease term is 2 years. For the year ended 30 June 2023, the average effective borrowing rate was 7.50%. Interest rates are variable over the lease term and vary according to the South African prime interest rate.

The current year's interest fee relating to the leases of these assets was GBP23,000. These assets mostly relate to motor vehicles and forklifts. The Group's lease liabilities are secured over the leased assets.

20. Trade and other payables

Figures in £'000	Group 2023	Group 2022	Company 2023	Company 2022
Trade creditors	5,974	2,543	291	87
Anumso license accrual	369	369	–	–
Accrued liabilities	17,799	4,638	–	–
Invoice financing creditor	19,054	7,421	–	8
Total trade and other payables	**43,196**	**14,971**	**291**	**95**

21. Financial Assets and Liabilities

Carrying amount of financial assets by category

Figures in £'000	At amortised cost	Total
Year ended 30 June 2023 - Group		
Unlisted investments	63	**63**
Receivable on Kilimapesa sale (Note 8)	601	**601**
Other loans and receivables (Note 10)	164	**164**
Trade and other receivables excluding non-financial assets (Note 12)	28,935	**28,935**
Cash and cash equivalents (Note 13)	2,977	**2,977**
	32,740	**32,740**

Figures in £'000	At amortised cost	Total
Year ended 30 June 2022 - Group		
Receivable on Kilimapesa sale (Note 8)	698	**698**
Other loans and receivables (Note 10)	197	**197**
Trade and other receivables excluding non-financial assets (Note 12)	9,277	**9,277**
Cash and cash equivalents (Note 13)	3,895	**3,895**
	14,067	**14,067**

Carrying amount of financial liabilities by category

Figures in £'000	At amortised cost	Total
Year ended 30 June 2023 - Group		
Interest Bearing Borrowings (Note 18)	1,183	**1,183**
Lease liabilities (Note 19)	176	**176**
Trade and other payables excluding non-financial liabilities (Note 20)	43,196	**43,196**
	44,555	**44,555**

Figures in £'000	At amortised cost	Total
Year ended 30 June 2022 - Group		
Interest Bearing Borrowings (Note 18)	2,395	**2,395**
Lease liabilities (Note 19)	370	**370**
Trade and other payables excluding non-financial liabilities (Note 20)	14,971	**14,971**
	17,736	**17,736**

22. Revenue

Figures in £'000	Group 2023	Group 2022
Sale of precious metals - Recovery operations	41,652	42,783
Processing fees charged to customers	229	439
Total revenue	**41,881**	**43,222**

Notes to the Consolidated and Separate Financial Statements
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Major customer

Revenues for the recovery operations were mainly derived from 4 different customers as indicated below

Figures in £'000	2023 %	2023 Value	2022 %	2022 Value
South African Recovery Operations				
Other	0%	35	0%	–
Customer 2	13%	3,438	19%	4,138
Customer 3	44%	11,883	46%	9,859
Customer 4	43%	11,638	35%	7,522
Total	**100%**	**26,994**	**100%**	**21,519**
West African Recovery Operations				
Other	2%	296	0%	–
Customer 2	3%	453	5%	957
Customer 3	10%	1,505	24%	5,292
Customer 4	85%	12,633	71%	15,454
Total	**100%**	**14,887**	**100%**	**21,703**

23. Employee benefits expense

Figures in £'000	Group 2023	Group 2022
Wages and salaries	4,416	4,009
Performance based payments	522	424
National insurance and unemployment fund	64	57
Skills development levy	43	37
Medical aid contributions	36	36
Group life contributions	64	58
Provident funds	69	53
Total	**5,214**	**4,674**
The average number of employees (including directors) during the year was:		
Directors	5	7
Administrative personnel	38	26
Production personnel	415	394
	458	**427**

Directors emoluments	Executive	Non-executive	Total
2023			
Wages and salaries	178	–	178
Fees	–	141	141
Other benefits	62	–	62
Total	**240**	**141**	**381**
2022			
Wages and salaries	181	–	181
Fees	–	149	149
Other benefits	3	–	3
Total	**184**	**149**	**333**

Emoluments disclosed above include the following amounts paid to the highest director:

	2023	2022
Emoluments for qualifying services	240	184

Key management apart from the Directors, the emoluments paid to key management personnel amounted to 2023 : GBP793,000 (2022: GBP806,000).

24. Administrative expenses

Expenses by nature	Group 2023	Group 2022
Depreciation expense	507	511
Accountancy fees	5	–
Loss on disposal of property, plant and equipment	3	4

25. Finance costs

Figures in £'000	Group 2023	Group 2022
Bank overdraft and creditors	214	207
Interest on pre-financing of sales	956	449
Foreign exchange movement	(289)	1,228
Total finance costs	**881**	**1,884**

26. Auditor's Remuneration

Figures in £'000	Group 2023	Group 2022
Auditor's Remuneration comprise:		
– Audit of parent and consolidation	115	94
– Audit of subsidiaries	48	27
– Prior period audit / overruns	153	–
Total auditor's remuneration	**316**	**121**

27. Income tax expense

27.1 Income tax recognised in profit or loss:

Figures in £'000	Group 2023	Group 2022
Current tax		
Current year	599	1,566
Withholding tax on dividends paid by subsidiaries	90	71
Total current tax	**689**	**1,637**
Deferred tax		
Originating and reversing temporary differences	206	183
Deferred tax rate adjustment	(539)	48
Total deferred tax	**(333)**	**231**
Total income tax expense	**356**	**1,868**

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27.2 The income tax for the year can be reconciled to the accounting profit as follows:

Figures in £'000	Group 2023	Group 2022
Profit before tax from operations	3,424	5,831
Income tax calculated at 19.0%	651	1,108
Tax effect of		
Expenses not deductible for tax purposes	156	47
Effect of higher tax levied on overseas subsidiaries	153	296
Tax losses incurred on overseas subsidiaries	247	361
Prior year mining tax rate adjustment	(898)	(80)
Withholding tax on dividends paid by subsidiaries	69	71
Under provision for provisional tax	(21)	42
Unwinding due to BEE charge	–	23
Tax charge	**356**	**1,868**

The Group's two main operating and tax paying entities are Goldplat Recovery (Pty) Limited and Gold Recovery Ghana Limited.

During the year the income tax expense decreased by more than 80%. This has resulted in a decrease in the effective tax rate from 24.7% to 8.3%, which was driven by the following:

- Decrease in taxation rate of 15.59% for GPL, to 9.84%, due to a change in the mining tax rate formula, an increase in capital expenditure and a decrease in profits resulting in a lower taxation rate based on mining tax formula applied in South Africa;
- Decrease in GPL profits before taxation from GBP4,648,000 to GBP2,781,000.

Goldplat Recovery (Pty) Limited income tax rate is calculated using a formula tax rate which is calculated using its profit margins and capital spend during the year. Any changes, year to year, on the tax rate calculated using this formula, will result in changes in the income tax rate at which it is assessed based on that year's profits, but also will change the income tax rate use to assess our deferred tax liability.

We currently do not foresee any changes in the income tax rate for Gold Recovery Ghana Limited.

Please note that no deferred tax asset was raised on the tax losses incurred on overseas subsidiaries. A portion relates to GMR of which the tax rate is 0% and a portion relates to Goldplat Plc where there is no indication of future taxable income.

28. Earnings per share

28.1 Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Figures in £'000	Group 2023	Group 2022
Earnings used in the calculation of basic earnings per share	**2,798**	**3,555**
Weighted average number of ordinary shares used in the calculation of basic earnings per share	167,783	171,018

28.2 Diluted earnings per share

The earnings used in the calculation of diluted earnings per share are as follows:

Figures in £'000	Group 2023	Group 2022
Earnings used in the calculation of basic earnings per share	2,798	3,555
The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:		
Weighted average number of ordinary shares used in the calculation of basic earnings per share	167,783	171,018
Adjusted for – Dilutive effect of share options	1,899	2,039
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	**169,682**	**173,057**

29. Segment information

29.1 General information

For each segment, the Group's CEO (the chief operating decision maker) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- South African Recovery operations: Includes the recovery of precious metals from metallurgical challenging materials and the processing of ore, sourced from other mining operations in South Africa. These products often represent an environmental challenge to the primary producer and are processed in a responsible manner by the company.
- West African Recovery Operations: Includes the recovery of precious metals from metallurgical challenging materials and the processing of ore, sourced from other mining operations in West Africa as well as South America.
- Administration - Includes activities conducted by holding companies in relation to the group and its subsidiaries.

There are varying levels of integration between the three reportable segments. This integration includes the sale of precious metals from the Ghana recovery operation to the South African recovery operation, and the supply of goods and services by the South African subsidiary to all group operations. Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are viewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

29.2 Segment revenues

Figures in £'000	Group Total segment revenue
Year ended 30 June 2023	
South African Recovery Operations	26,959
West African Recovery Operations	14,814
South American Recovery Operations	100
Administration and Other	8
Group revenue	**41,881**
Year ended 30 June 2022	
South African Recovery Operations	21,519
West African Recovery Operations	21,703
Group revenue	**43,222**

29.3 Other incomes and expenses

Figures in £'000	Depreciation	Finance and Forex cost	Finance and Forex income	Reportable segment profit/(loss) before tax	Taxation
Year ended 30 June 2023					
South African Recovery Operations	(468)	(456)	(13)	2,808	96
West African Recovery Operations	(109)	(1,022)	597	1,965	(355)
South American Recovery Operations		13		(214)	(7)
Administration	–	(154)	–	871	(90)
Intercompany trade and consolidation journals	–	(1)	155	(2,006)	–
Total other incomes and expenses	**(578)**	**(1,620)**	**739**	**3,424**	**(356)**
Year ended 30 June 2022					
South African Recovery Operations	(451)	(672)	546	4,648	(1,291)
West African Recovery Operations	(132)	(551)	(657)	3,089	(463)
Mining and Exploration	–	(4)	1	(58)	(3)
Administration	–	(562)	–	3,667	(69)
Intercompany trade and consolidation journals	–	162	(146)	(5,514)	(42)
Total other incomes and expenses	**(583)**	**(1,627)**	**(256)**	**5,832**	**(1,868)**

Notes to the Consolidated and Separate Financial Statements
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29.4 Assets and liabilities

Figures in £'000	Segment total assets	Segment total liabilities
Year ended 30 June 2023		
South African Recovery Operations	27,124	16,206
West African Recovery Operations	30,550	29,047
South American Recovery Operations	253	492
Administration	21,723	278
Intercompany trade and consolidation journals	(16,166)	208
Total assets and liabilities	**63,484**	**46,231**
Year ended 30 June 2022		
South African Recovery Operations	21,661	9,510
West African Recovery Operations	11,569	9,734
Administration	20,825	92
Intercompany trade and consolidation journals	(16,484)	431
Total assets and liabilities	**37,571**	**19,768**

30. Related parties

Other related parties

Entity name	2023 Holding		2022 Holding	
Gold Mineral Resources Limited	100%	Direct	100%	Direct
Goldplat Recovery (Pty) Ltd	91%	Direct	91%	Direct
Gold Recovery Ghana Limited	100%	Indirect	100%	Indirect
Anumso Gold Limited	49%	Indirect	49%	Indirect
Nyieme Gold SARL	100%	Indirect	100%	Indirect
Midas Gold SARL	100%	Indirect	100%	Indirect
Gold Recovery Brasil Recuperacao	100%	Direct	100%	Direct
Gold Recovery Peru SAC	100%	Indirect	100%	Indirect
GRG Tolling Ltd	100%	Indirect	100%	Indirect

Major inter-company transactions

	Nature of transaction	2023	2022
Goldplat Recovery to Gold Recovery Ghana	Goods, equipment and services supplied	679	334
Goldplat Recovery to Gold Mineral Resources	Goods, equipment and services supplied	91	489
Goldplat Recovery to Gold Mineral Resources	Interest received	(149)	(120)
Goldplat Recovery to NMT Capital	Management fees	–	1
Goldplat Recovery to NMT Group	Managements fees	–	1
Goldplat Plc to Gold Mineral Resources	Management fees	–	–
Goldplat Recovery to Aurelian Capital	Trade and other payables	1	138
Goldplat Recovery to Aurelian Capital	Dividends Receivable - Aurelian	150	275
Goldplat Recovery to Aurelian Capital	Management fees	17	15
Goldplat Plc	Directors	141	149

31. Subsequent events

There are no events subsequent to 30 June 2023 that will have a material effect on the consolidated financial statements.

32. Going concern

The directors assessed that the Group is able to continue in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations.

The assessment of the going concern assumption involves judgement, at a particular point in time, about the future outcome of events or conditions which are inherently uncertain.

The judgement made by the directors included the availability of and the ability to secure material for processing at its plants in South Africa and Ghana, the impact of loss of key management, outlook of commodity prices and exchange rates in the short to medium term and changes to regulatory and licensing conditions.

During the year the Group maintained all our suppliers in South Africa and Ghana for by-product material and also increased our footprint in the South American market. Further progress has been made in securing additional contracts in West Africa.

With the secured supplier base and more than 5 years of surface sources on site or on contract, management believes that it will be in a position to operate sustainably for the foreseeable future.

For the 2023 financial year, the Group achieved positive operating profits.

The Department of Water and Sanitation of the Republic of South Africa recently authorised the water use by GPL, which includes the extraction and use of water in its recovery processes and the impact of its disposal of tailings on a new tailings' storage facility ("TSF"), according to the conditions set out in the license, which is valid for 12 years.

The new TSF has been commissioned. The new TSF will have sufficient capacity to store the tailings we will produce in our current operations for the next seven to eight years.

Ghana's EPA and gold export license were also recently renewed for another 3 years.

To assess the ability of the Group to continue as a going concern, management also need to assess GPL's ability to meet all relevant covenants, for the foreseeable future, in regards with the South African Rand Denominated bank facility of ZAR60 million.

For the past financial year, GPL met all of its covenant requirements. At the statement of financial position date, GPL still had GBP1.2 million outstanding on the facility.

The Group's forecasts and projections to 31 December 2024, taking account of reasonably possible changes in trading performance, commodity prices and currency fluctuations, indicates that the Group should be able to operate within the level of its current cash flow earnings forecasted for at least the next twelve to fourteen months from the date of approval of the financial statements.

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, thus continuing to adopt the going concern basis of accounting in preparing the annual financial statements.

Notes to the Consolidated and Separate Financial Statements
Continued

33. Financial risk management

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Interest rate risk
- Foreign exchange risk
- Gold price risk, and
- Liquidity risk

The Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in this note.

(i) Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade receivables
- Cash and cash equivalents
- Investments in quoted and unquoted equity securities
- Trade and other payables
- Bank overdrafts
- Floating-rate bank loans

(ii) Financial instruments by category

Financial assets

	Fair value through profit or loss		Amortised cost	
	2023 GBP'000	2022 GBP'000	2023 GBP'000	2022 GBP'000
Receivable on Kilimapesa sale (Note 8)	–	–	601	698
Other loans and receivables (Note 10)	–	–	164	197
Trade and other receivables excluding non-financial assets (Note 12)	–	–	28,935	9,340
Cash and cash equivalents (Note 13)	–	–	2,977	3,895
Total financial assets	**–**	**–**	**32,677**	**14,130**

Financial liabilities

	Fair value through profit or loss		Amortised cost	
	2023 GBP'000	2022 GBP'000	2023 GBP'000	2022 GBP'000
Trade and other payables (Note 20)	–	–	43,196	14,971
Interest bearing borrowings (Note 18)	–	–	898	978
Total financial liabilities	**–**	**–**	**44,094**	**15,949**

(iii) Financial instruments not measured at fair value

Financial instruments not measured at fair value includes cash and cash equivalents, trade and other receivables, trade and other payables, and loans and borrowings. Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, and trade and other payables approximates their fair value.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from sales to large refiners and smelters.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only reputable banks in the jurisdiction we operated are used.

Further disclosures regarding trade and other receivables, which are neither past due nor impaired, are provided in note 12.

Cash in bank

A significant amount of cash is held with the following institutions:

	30 June 2023 Cash at bank GBP'000	30 June 2022 Cash at bank GBP'000
Nedbank Limited	410	773
First National Bank Ghana Limited	2,341	2,879
Stanbic Bank Ghana Limited	6	6
BICIAB	–	–
Barclays Bank Limited	1	154
HSBC UK PLC	5	15
BBVA BANCO CONTINENTAL	6	3
ITAÚ UNIBANCO S.A.	–	51
Cash on hand	13	14
Note 13	**2,782**	**3,895**

At the reporting date the board does not expect any losses from non-performance by the counterparties. For all financial assets to which the impairment requirements have not been applied, the carrying amount represents the maximum exposure to credit loss.

Market risk

Market risk arises from the Group's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors, specifically the price of gold.

Interest rate risk

The Group is exposed to cash flow interest rate risk from long-term borrowings and finance leases at variable rate. Due to the low net debt-to-cash and net debt-to-equity ratio the board sees as this exposure to me limited and hence have not fixed any of the variable rates it is exposed to.

During 2023 and 2022, the Group's borrowings at variable rate were mainly denominated in ZAR.

Foreign exchange risk

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy allows group entities to settle liabilities denominated in their functional currency or other functional currency with the cash generated from their own operations in the respective currencies.

The Group is predominantly exposed to currency risk on purchases and sales made from a major supplier based in USD.

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As of 30 June the Group's net exposure to foreign exchange risk was as follows:

	GBP		GHS		Functional currency of individual entity ZAR		Total	
	30 June 2023 GBP'000	30 June 2022 GBP'000	30 June 2023 GBP'000	30 June 2022 GBP'000	30 June 2023 GBP'000	30 June 2022 GBP'000	30 June 2023 GBP'000	30 June 2022 GBP'000
Net foreign currency financial assets/(liabilities)								
USD	606	887	1,454	2,426	10,702	3,457	12,762	6,770
Total net exposure	**606**	**887**	**1,454**	**2,426**	**10,702**	**3,457**	**12,762**	**6,770**

The Group highest exposure is against the USD, specifically between the USD and GHS, as well as USD and ZAR.

The effect of a 20% strengthening or weakening of the USD against GHS and ZAR at the reporting date on the USD denominated net foreign currency financial assets/(liabilities), at that date would, if all other variables held constant, will impact on the post-tax profit for the year and the net assets asset-out below:

	GBP		GHS		Functional currency of individual entity ZAR		Total	
	30 June 2023 GBP'000	30 June 2022 GBP'000	30 June 2023 GBP'000	30 June 2022 GBP'000	30 June 2023 GBP'000	30 June 2022 GBP'000	30 June 2023 GBP'000	30 June 2022 GBP'000
20% Strengthening of the USD								
– Post-tax profit Increase	121	177	247	412	1,930	520	2,298	1,110
– Net Asset Increase	121	177	247	412	1,930	520	2,298	1,110
20% Weakening of the USD								
– Post-tax profit Decrease	(121)	(177)	(247)	(412)	(1,930)	(520)	(2,298)	(1,110)
– Net Asset Decrease	(121)	(177)	(247)	(412)	(1,930)	(520)	(2,298)	(1,110)

Gold price risk

Some of the Group financial assets and liabilities valuation is link to the price of gold and the future cashflows relating to these assets and liabilities remain exposed to the fluctuation in the gold price. The Group does not enter into gold contracts to manage the exposure to the fluctuation in Gold Prices, but aim to settle suppliers at similar gold prices than what it received, where possible. The exposure to gold price and the level of such exposure will be different from contract to contract.

As of 30 June the Group's net exposure to Gold Price risk was as follows:

	GBP	
	30 June 2023 GBP'000	30 June 2022 GBP'000
Financial assets exposed to gold price risk	27,358	10,807
Financial liabilities exposed to gold price risk	(17,942)	(8,298)
Total net exposure	**9,416**	**2,509**

The effect of a 20% strengthening or weakening of the Gold Price at the reporting date net foreign currency financial assets/(liabilities) exposed to gold price, at that date would, all other variables held constant, on the post-tax profit for the year and decrease of net assets as been set-out below:

	30 June 2023 GBP'000	30 June 2022 GBP'000
20% Strengthening of the Gold price		
– Post-tax profit Increase	1,709	370
– Post-tax profit Increase	1,709	370
20% Weakening of the Gold price		
– Post-tax profit Decrease	(1,709)	(370)
– Post-tax profit Decrease	(1,709)	(370)

Liquidity Risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements.

The Board receives rolling 3 to 6 months cash flow projections on a monthly basis as well as information regarding cash balances. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The liquidity risk of each group entity is managed independently by the entity and Group management. The liquidity requirements fluctuate continuously based on volume and value of contract signed or in the pipeline, as well as the terms of the contracts. The liquidity requirements need to therefore be managed per contract and trading requirements and cannot just be forecasted 12 months in advance.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

At 30 June 2023	Up to 3 Months GBP'000	Between 3 and 12 months GBP'000	Between 1 and 2 years GBP'000	Between 2 and 3 years GBP'000
Trade and other Payables	43,196	–	–	–
Loans and borrowings	213	685	285	–
Lease liabilities	43	94	39	–
Total	**43,452**	**779**	**324**	**–**

At 30 June 2022	Up to 3 Months GBP'000	Between 3 and 12 months GBP'000	Between 1 and 2 years GBP'000	Between 2 and 3 years GBP'000
Trade and other Payables	15,033	–	–	–
Loans and borrowings	244	734	1,261	156
Lease liabilities	65	194	108	2
Total	**15,342**	**928**	**1,369**	**158**

Capital Disclosures

The Group monitors "adjusted capital" which comprises all components of equity (i.e. share capital, share premium, non-controlling interest, retained earnings, and revaluation reserve).

The Group's objectives when maintaining capital are:

- to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Due to the nature of the business the Group's, the Group's strategy is to preserve a strong cash base and maintain low/negative debt-to-capital ratios. The cash requirements is managed on subsidiary level based on cash requirements in regards with trading activities.

As a result, the debt-to-capital ratios at 30 June 2023 and at 30 June 2022 remains negative and were as follows:

	30 June 2023 GBP'000	30 June 2022 GBP'000
Loans and borrowings	1,183	2,395
Lease liabilities	176	370
Less: cash and cash equivalents	(2,782)	(3,895)
Net debt	**(1,423)**	**(1,130)**
Total equity	17,253	16,862
Debt to adjusted capital ratio	-8%	-7%

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34. Cash flows from operating activities

Figures in £'000	Group 2023	Group 2022	Company 2023	Company 2022
Profit for the year	**3,068**	**3,963**	**969**	**4,286**
Adjustments for:				
Income tax expense	356	1,868	90	69
Finance Expense	1,170	1,884	(31)	41
Depreciation	507	509	–	–
Impairment of intangible assets	63	–	–	–
Amortisation of right-of-use asset	71	76	–	–
Increase in value of receivable of Kilimapesa sale	–	7	–	–
Revaluation of the Kilimapesa receivable	97	–	–	–
Profit/Loss on sale of property, plant and equipment	2	53	–	–
Foreign Translation Movements	284	101	–	–
Share-based payment expense	–	11	–	–
Change in operating assets and liabilities:				
Adjustments for increase in inventories	(11,151)	(4,473)	–	–
Adjustments for decrease / (increase) in trade and other receivables	(21,498)	1,191	(145)	167
Adjustments for increase / (decrease) in trade and other payables	31,611	1,049	196	(27)
Adjustments for increase / (decrease) in provisions	(69)	232	–	–
Net cash flows from operations	**4,511**	**6,471**	**1,079**	**4,536**

Significant non-cash transactions from investing activities are as follows:

	2023 GBP'000	2022 GBP'000	2023 GBP'000	2022 GBP'000
Acquisition of Right-of-Use Assets	170	299	–	–
Depreciation on property, plant & equipment	507	509	–	–
Transfers of Right-of-Use Assets to property, plant & equipment	230	219	–	–
Revaluation of Kilimapesa receivable	97	–	–	–

35. Ultimate controlling party

Goldplat PLC is a listed entity and the shares are held by various shareholders, none of it more than 30% and therefore, no ultimate controlling entity exists.

General Information

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Notes

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