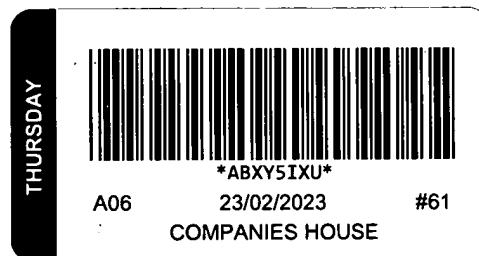


Goldplat PLC
(Registration Number 05340664)
Consolidated and Company Annual Financial Statements
for the year ended 30 June 2022



Audited Financial Statements

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General Information

Company Number	05340664
Directors	Werner Klingenberg Sango Ntsaluba Gerard Kisbey Green Martin Ooi Gerard Kemp
Registered Office	Salisbury House, London Wall London, EC2M 5PS, United Kingdom
Auditors	BDO LLP 55 Baker Street W1U 7EU United Kingdom
Company Secretary	Stephen Ronaldson Salisbury House, London Wall, London EC2M 5PS United Kingdom
Registrars	Share Registrars Limited The Courtyard 17 West Street Farnham Surrey GU9 7DR United Kingdom
Website	www.goldplat.com

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Chairman's Statement

In my first Chairman's statement I am pleased to report continued improvements in all areas of the business including increased profitability from operations, increased visibility of earnings and the commencement of returning value to our shareholders.

Our portfolio of core assets consists of two gold recovery operations, in South Africa and Ghana, with plans to extend this 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.

Having strategically moved away from primary mining, we remain committed to our strategy of increasing long term visibility of earnings in the recovery businesses and returning value to our shareholders, whilst increasingly positioning ourselves as a service company and an ESG player in the mining space, forming a key element of primary producers' ESG initiatives. This focus is aligned with our growth strategy and will include broadening the commodity spaces in which we operate and add value.

Profit for the year increased to GBP3,963,000 (2021 profit GBP2,179,000) with net cash flows from operating activities of GBP2,997,000 (2021: GBP2,309,000) and net year end cash of GBP3,895,000 (2021: GBP 3,459,000). These excellent numbers are primarily the result of solid performance at both operations, increased supply of material and increasing profit margins.

During the period, the Company announced that all cash in excess of operating and development requirements would be returned to shareholders and that all royalties received from Kilimapesa would be distributed to shareholders. During March and April 2022, the Company announced a share buy-back programme. This purchase of shares amounted to GBP400,000 and the resulting treasury shares were cancelled in May 2022. Post year end, the Company sold its remaining shares in Caracal Gold Plc, resulting in a further GBP 681,000 in cash being realised from the sale of Kilimapesa consideration shares. The partial restructuring of the Group was completed during the period with the Group's shareholding in Goldplat Recovery (Pty) Limited increased to 90.63%.

Your board of directors has seen several changes during the period. Martin Ooi, a shareholder and long-time supporter of Goldplat, was appointed as a non-executive director in October 2021, and Nigel Wyatt resigned as a non-executive director with effect from 31 December 2021. In May 2022 Matthew Robinson announced his intention to retire as non-executive Chairman, with his retirement coming into effect on 26 September 2022. I would like to thank Matthew for his steadfast guidance since his appointment in 2016. Matthew's leadership through this period of strategic change for Goldplat is greatly appreciated and I would like to wish him well in his future endeavours. I joined as non-executive director in September 2022 and I am delighted to take over as non-executive chairman at a time where the strategic changes are already resulting in sustainable improvements with exciting potential for continued further growth. With these changes I believe that your Board is well positioned to continue to grow the company's existing and new businesses.

Whilst the threat to the Group posed by the Covid pandemic has diminished significantly during the year, we remain cautious and continue a number of policies and practices initiated during the pandemic. The Russian invasion of Ukraine during the year is posing a significant challenge to global supply chains and whilst Goldplat has no activities directly connected with Russia or Ukraine, the long-term effect of the conflict on the Group is uncertain. Although, the impact on fuel prices, currency exchange rates and global inflation continue to have an impact on the Company.

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 thank all Goldplat's employees, as well as my fellow directors, our advisors and our shareholders for their efforts as we look forward with enthusiasm.



Gerard Kemp

Chairman

17 February 2023

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Operations and Finance Report

Overview

Goldplat plc 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 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 2,000 ounces to 2,800 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 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 with other industry participants; diversifying into processing of platinum group metals ("PGM") contaminated material; and constructing a final deposition site for, and optimising the processing of, the 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.

Goldplat has a JORC defined resource (see the announcement dated 29 January 2016 for further information) over part of its active Tailings Storage Facility ('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 made more than 500,000 tons of material have been deposited on the TSF.

Goldplat held a 5.52% interest (at the balance sheet date) indirectly in Caracal PLC ("Caracal") and a 1% net smelter royalty (the Caracal holding was sold down to zero after the period), capped at USD1.5 million in Kilimapesa (the Kenyan Gold Mining Company it sold to Caracal).

Introduction

During the period, the recovery operations continued to deliver excellent returns with the profits after tax and attributable to owners of the Company increasing by 112%.

The increase was driven by strong performances by both operating entities, with Goldplat Recovery Pty Limited ("GPL") and Gold Recovery Ghana Limited ("GRG") increasing the respective net profit by 75% and 54%.

Revenue increased by 22% during the period due to an increase of supply of material during the period, driving increases in production and sales. This has been against a slight decrease in the average gold price during the period of USD1,833/oz (2021 – USD1,846/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 period, the gross profit margin increased from 17.5% to 23.1%, which was largely driven by the weakening of the Ghanaian Cedi (GHS) during the period by 20% (refer table under financial review). This was however offset by foreign exchange losses, which increased by GBP685,000.

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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) indicates the ability of the recovery operations in South Africa and Ghana to produce profitably at various gold prices and production levels.

	2022	2021	2020	2019	2018	2017
Average Gold Price per oz in US\$ for the year	1 833	1 846	1 560	1 263	1 293	1 258
	<i>GBP'000</i>	<i>GBP'000</i>	<i>GBP'000</i>	<i>GBP'000</i>	<i>GBP'000</i>	<i>GBP'000</i>
Revenue	43 222	35 400	24 809	21 769	28 962	28 501
Gross Profit	9 994	6 199	7 312	3 114	5 703	5 644
Other income	53	56	0	0	0	0
Administrative & Other Costs	2 332	1 694	1 977	861	1 390	1 008
Operating Profit before Finance Costs	7 715	4 561	5 335	2 253	4 313	4 636

Before the 2020 financial period, the cashflow generated was invested in sustaining and growing our mining portfolio in Africa, which we have exited during the prior year. Since then, the Group has been focussed on building the customer base in its recovery operations, increasing its contracted supply of raw material for CIL circuits in South Africa, building up its reserves and restructuring and positioning the Group to optimize the returns to shareholders.

During the period we progressed on all of these fronts, with the share buy-back of minority shareholders in GPL completed, increasing GPL low grade material supply from 2 years to more than 7 years through our relationship with DRD Gold Limited ("DRD Gold"), and securing supply from new customers.

The Group has also progressed on its other strategic initiatives, specifically, receiving a license to construct a new tailings facility, furthering discussions with DRD Gold for the processing of current tailings facility at one of its operations and continuing to invest into potential growth areas, specifically through research and analysis of other raw materials for processing and Platinum Group Metals ('PGM'), and extending its geographical reach in South America.

Management's key focus in the recovery operations remains to increase visibility of earnings through growing its customer base and contracted supply of raw material on site.

Goldplat Recovery (Pty) Limited – South Africa – ('GPL')

Revenues increased by 22.1% to GBP21.52 million (2021 – GBP17.62 million), in part due to the increase in gold produced and sold and in part due to the increase in the average gold price in South African Rand ('ZAR'). The profits from operating activities as a result increased by 48.1% to GBP4.77 million (2021 - GBP3.22 million).

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Operations and Finance Report

By-products (carbon, woodchips, mill liners and other by-products)

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 by-products received. GPL has retained all contracts during the period; however the risk of supply reduction remains due to the short-term nature of contracts. The focus remains on improving the service provided to the mines, with the aim of increasing the term of the contracts.

Low grade materials

The low-grade material processed through GPL's carbon-in-leach circuits ('CIL') is surface material that has been contaminated by more than 100 years of gold mining in South Africa. The gold grade in this material is between 1 to 3 grams a ton (average 2 grams per ton).

With improved mining and processing methods and focus on the environment, significant tonnages of these types of materials are not being generated, and what is being generated, is processed through the mines' own plants before closure. As a result, the quantities of such materials available to GPL will reduce. As a result, and subsequent to year end, GPL agreed with DRD Gold to remove low-grade carbon contaminated soils from their premises, on a cost per ton basis, which should provide circa 5 years of additional feed for our larger CIL circuit. The CIL circuit currently contributes between 20% to 30% of the South African operation's production. The nature of the materials to be removed from DRD Gold will be variable 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.

This increases the availability of material for this circuit to more than 7 years and will form a good base for the business going forward.

Condition and reprocessing of the tailings' storage facility ("TSF")

The Department of Water and Sanitation of the Republic of South Africa has 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 TSF, according to the conditions set out in the license, which is valid for 12 years.

The new TSF, which is adjacent to the current TSF, is expected to be constructed and completed by end of June 2023 at a further cost of GBP600,000. The new TSF is expected to have sufficient capacity to store the tailings we will produce in our current operations for the next seven years.

The new TSF will also allow 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 DRD Gold. To enable us to process the current TSF through a DRD Gold facility, we will require approval to install a pipeline to this DRD Gold processing facility and will need to finalise commercial agreements with the third-party.

DRD Gold is assisting GPL to get approval for the construction of a pipeline to one of its plants. The pipeline will provide GPL with the ability to process the existing TSF at a DRD Gold processing facility. The negotiation of the terms and conditions of processing our existing TSF at a DRD Gold processing facility still needs to be finalised. The approval of the pipeline by authorities is taking longer than originally expected, but we believe this will be received, at the latest, by June 2023.

During the period we incurred GBP223,000 on application for the new TSF and maintenance of the current TSF.

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Operations and Finance Report

GPL continues to make changes to its circuit to increase its ability to extract value from the lower grade materials. During the year under review, we installed and completed the following improvements in the plant:

- We constructed a new flotation plant at cost of GBP267,000 which provide us flexibility in terms of recovery of PGM's from various types of contaminated material as well as improving gold recoveries on other material;
- We incurred GBP58,000 on installation of a gravity concentrator circuit at our largest Milling and Carbon in Leach (CIL) circuit. This has increased production by 5% to 10% in this circuit, depending on the material that is being processed, but has resulted in more cash being locked up, as it takes 6 months to turn this material into cash.

Gold Recovery Ghana Limited – Ghana - ('GRG')

GRG focusses on the processing and recovery of gold from mine by-products and serves the industry in Ghana, West Africa, South America and other parts of Africa. The sourcing efforts in West Africa and further afield continued to benefit the Group through increased supply of material from our current suppliers. The increase in feed material and the depreciation of the cedi against the USD (by 20%) resulted in revenues increasing during the period from GBP17,778,000 to GBP21,703,000. As a result, GRG increased its profitability, posting an operating profit before finance cost of GBP4,297,000 (2021 - GBP2,574,000). However, as a result of the depreciation of the GHS against the USD, GRG incurred foreign exchange losses during the period of GBP897,000 (2021 - GBP75 403).

Notwithstanding the continued improved performance in GRG, and the growth potential of the West African market, GRG remains dependent on getting approval for export of material from neighbouring countries and GRG will remain subject to sourcing risk.

Due to the length of time it takes to extract value from material (120 to 210 days), from when material leaves the mines to when gold is recovered and subsequently sold, GRG obtains financing to settle payment to the mines earlier. The working capital finance cost for the period for GRG increased to GBP311,000 (2021 - GBP148,000) due to increases in sales and also the depreciation of the GHS against the USD.

Major investments made in Ghana in prior years have positioned GRG well to service its customers. The following initiatives will continue to manage and reduce the risk related to the procurement of sufficient materials for Ghana:

- Expanding the successes achieved in Mali to other mines in Mali, Ivory Coast and Burkina Faso. Some of these efforts have been delayed due to the Covid-19 travel restrictions. In Burkina Faso, the case relating to the export of fine carbon material is still pending and partly delaying any further export of material. Our engagement with mine management and government officials on different levels has continued, with the aim of increasing our footprint to ensure regular supply. Specific progress in this regard has been made during the quarter in Cote d'Ivoire.
- To support the sourcing and export of material to GRG, subsidiaries have been incorporated in Peru and Brazil during the period, and we have decided to establish a site in Brazil, although we have incurred or committed no expenditure so far on those subsidiaries. This should assist us in increasing our presence and service delivery in South America and specifically allow us to source and process lower grade material, which is not feasible to transport to our other facilities.
- To reduce the risk at the Ghana operation, we continue to evaluate our options for processing of artisanal tailings material, including the possibility of finding a partner in country, whilst continuing to seek permission from the Minerals Commission to restart in some form the processing and/or tolling of tailings material.

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Discontinued operations

Kilimapesa Gold (Pty) Limited – Kenya ('KPG')

The sale of KPG was completed in the prior year, during April 2021 to Mayflower Gold Investments Limited ('Mayflower'). The initial consideration receivable by Gold Mineral Resources Ltd ("GMR"), Goldplat's subsidiary, was in the form of a secured debenture of USD1,500,000, to be satisfied by cash and/or the issue of shares to that value in Papillon Holdings plc ('Papillon') payable on Papillon's re-admission to trading on the LSE following completion of the RTO, with 30% (USD450,000) of the initial consideration payable in cash. On 31 August 2021, Papillon Holdings plc, renamed as Caracal Gold plc ("Caracal"), had its ordinary shares commence trading on the Main Market for listed securities of the London Stock Exchange plc ('LSE') under the ticker GCAT with a contemporaneous dual listing on the Frankfurt Stock Exchange, which followed the completion of the reverse takeover of Mayflower. GMR received 103,835,953 shares (which represented 7.17% of its issued share capital) in Caracal on 31 August 2021, which represented 70% of the initial consideration of the sale of KPG to Mayflower. On 3 November 2021, the Company agreed with Caracal to take up the remainder of the initial share consideration on the sale of Kilimapesa at the initial listing price of Caracal and as a result, received a further 32 878 000 shares in lieu of a cash payment of US\$450,000, increasing the Group's shareholding in Caracal to 9.2% at the time.

During the period the Company sold 32 878 000 shares for £310,778.29 and retained 103,835,953 shares (interest of 5.53%) in Caracal. Subsequent to the year-end the Company sold all its shares in Caracal for a total consideration of GBP681,000.

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.

During the period the Company has written-off balances outstanding from Kilimapesa to the value of GBP241,000, that related to a balance that was owing to the Group from Kilimapesa before the conclusion of the transaction.

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 prior year. During the period we have been informed that mineral right fees since 2013 are outstanding, which is 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 included under loss from discontinued operations in the prior year.

Financial review

The major functional currencies for the Group subsidiaries are South African Rand (ZAR) and 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, there it can be seen that the average ZAR strengthened and GHS weakened against the Pound Sterling, by 2.27% and 12.76% respectively. The exchange rates as at end of the period are used to convert the balance in the statement of Financial Position. As set out in the table below, the ZAR closing rate was similar to the previous period, whilst the GHS depreciated by 20%, which resulted in the GBP490,000 loss on exchange differences on translation during the period.

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		2022	2021	Variance
		GBP	GBP	%
South African Rand (ZAR)	Average	20.26	20.73	2.27%
Ghanaian Cedi (GHS)	Average	8.84	7.84	-12.76%
South African Rand (ZAR)	As at 30 June 2022	19.80	19.80	0.00%
Ghanaian Cedi (GHS)	As at 30 June 2022	9.78	8.15	-20.00%

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 its sales are recognised. The average exchange rates for the year used in the conversion of operating currencies against the USD during the period under review are set out in the table below

	2022	2021	Variance
	USD	USD	%
South African Rand (ZAR)	15.23	15.42	1.23%
Ghanaian Cedi (GHS)	6.66	5.82	-14.43%

Personnel

The Personnel expenses increased by 6.3% to GBP4,674,000 (2021 - GBP4,396,000) during the period, resulting from salary increases as well as increase of production personnel in South Africa from 292 to 325 as a result of temporary employees employed on the construction and maintenance of the tailings facility.

The net finance loss

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

Interest component	2022	2021
	'000	'000
Interest receivable	-	-
Interest payable on lease liabilities	(20)	(21)
Interest payable on borrowings	(184)	(110)
Interest on pre-financing of sales	(449)	(219)
Interest on bank overdraft	(3)	(16)
Intercompany foreign exchange (expense)	(157)	(513)
Operating foreign exchange losses	(1,071)	(30)
Net finance costs	(1,884)	(909)

Nett finance costs increased to GBP1,884,000 (2021 - GBP909,000) during the period as a result of:

Increase in foreign exchange losses in operations of GBP1,071,000 specifically due to the continuous depreciation of the GHS against the USD during the period. As we pre-finance a portion of our sales to the smelters, the exchange rate on the day we received most of our funds was lower than the exchange rate on the day we recognise the sale in our records.

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The ZAR:USD exchange rate did not move materially during the period, resulting in the intercompany loans to the holding companies from GPL, not experiencing the same foreign exchange impact as in the prior year, and as a result the foreign exchange loss related to the ZAR-USD exchange rate fell from GBP398,000 to GBP115,000 during the period. The Group has started to reduce intercompany loan balances during the period to reduce the impact of the significant fluctuation between reporting currencies and the currencies in which loans are denominated and will continue to reduce the balance during the next period.

As a result of an increase of turnover during the period in GRG and more gravity concentrates exported out of South Africa as a result of the installation of further gravity concentrator units, the interest on pre-financing of sales increased from GBP219,000 to GBP449,000.

The interest payable on borrowings increased during the period as a result of the buy-back of the minority share in GPL at the beginning of the period. The interest payable on borrowings in the previous period related to finance on group level to support working capital, specifically in GRG.

Taxation

During the period the income tax expense more than doubled, on increase of profits before tax of 60%. This has resulted in an increase of the effective tax rate from 24.7% to 30.2%, which was driven by the following

- Increase in taxation rate of 1.94% for GPL, to 25.43%, due to increased profits resulting in higher taxation rate based on mining tax formula applied in South Africa;
- Increase in GPL profits before taxation almost doubled from GBP2,358,000 to GBP4,648,000;
- GPL contributed 80% of the pre taxation profits during the current period, versus 65% the previous year.

GRG is registered as a Free Zone company in Ghana and is taxed at 15% (2021 : 15%) during the current period.

During the period dividend from GPL to the company incurred a withholding dividend taxation charge of 5%. The withholding dividend tax for the period was GBP71,000 (2021 – GBP80,000).

Other comprehensive income

During the period the Group experienced a loss in foreign exchange translation reserve of GBP912,000 and was made up by mainly of:

- Foreign exchange translation loss in GRG of GBP532,000 as a result of devaluation of the GHS during the period against the GBP by 20%
- An additional GBP390,000 share of foreign exchange translation losses relating to GPL were transferred to the Company as a result of the share repurchases and issues made in GPL during the period;
- The closing exchange rate between the ZAR and GBP did not fluctuate significantly during the period, resulting in a minimal foreign translation impact on the conversion of GPL's statement in financial position.

Property, plant & equipment

During the period we spent GBP850,000 on the acquisition and construction of plant and equipment, mainly at GPL in South Africa.

Apart from investment into a new flotation plant of GBP267,000, a gravity concentrator circuit of GBP58,000 and construction of a new tailings facility GBP223,000, as mentioned above, the remaining GBP175,000 capital incurred in GPL, was spent on water reticulation structures, upgrading CIL structures and other general construction.

We incurred GBP129,000 in GRG, mainly relating to upgrades on our rotary spiral circuits.

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Operations and Finance Report

Intangible Assets

The intangible assets relate to the goodwill in 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.

Right-of-use asset

The right-of-use assets increased during the period by GBP2,000. The reason for the increase is due to assets with a value of GBP166,000 that were settled during the period, being transferred to Property, plant and equipment, as they are now owned by GPL.

GPL acquired heavy-duty vehicles and forklifts on finance leases for GBP233,000 and GRG acquired a forklifts on short-term finance lease for GBP66,000.

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

Loan receivable

The loan receivable related to a balance that was receivable from the South African minority shareholders on the acquisition of shares (in GPL) and was denominated in ZAR. The balance of GBP636,000 was settled during the period as part of the repurchase of the minority's share (in GPL).

As part of the repurchase of the minority's share, shares were also issued to a new minority in South Africa, Aurelian, a portion of which is payable from dividend proceeds. The balance outstanding is GBP708,000.

Inventories

The increase of GBP3,615,000 in the inventory balance, relates mainly to an increase of GBP3,895,000 in inventory at GRG.

	2022	2021
	GBP'000	GBP'000
Precious Metals on hand and in process	8,186	4,303
Raw Materials	2,730	3,424
Consumable Stores	1,132	706
	12,048	8,433

The increase in GRG inventory relates mainly to an increase in precious metals on hand and in process of GBP3,883,000 driven by an increase in the supply and grade of material received from customers during the last quarter, not yet delivered to the smelters.

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 period we've processed some of the high grade, higher cost material and also reduced our stock holding on site by 13%. With the agreement reached with DRD Gold, by which we can remove and process materials on DRD Gold premises, we have not just increased the availability of raw material for processing, but also put GPL in a position to operate on lower levels of raw materials at our premises.

The increase in consumable stores was as a result of higher stock levels of production chemicals at period end.

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Operations and Finance Report

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 5 months.

During the period, the trade and other receivables decreased by GBP3,101,000, mainly due to the reduction in trade receivables in GRG by GBP4,085,582. During the previous financial period, high grade batches were delivered during the 3rd and 4th quarter, resulting in high value material at smelters during the end of previous period.

In GPR, the trade and other receivables increased by GBP2,505,483 during the period, due to larger volumes of material delivered to the smelters closer to the end of the financial period.

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 period and increased by GBP24,000.

Deferred tax liabilities

The deferred tax liabilities increased during the period from GBP792,000 to GBP1,013,000 as a result of GBP850,000 and GBP299,000 capital expenditure incurred on property, plant and equipment and right of use assets respectively. The capital expenses were amortized in full for tax purposes, although limited depreciation was levied during the period.

Interest bearing borrowings

During the period, 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 ZAR60 million was drawn during the first half of the 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 GBP2,395,000 of which GBP978,000 is repayable in the next 12 months.

As a condition to the Nedbank facility, the Group settled the balance outstanding of GBP33,000 on another USD2,000,000 revolving facility and cancelled the facility and relating securities.

Refer to note 18 for further disclosure.

Trade and other payables

The decrease in trade and other payables of GBP474,000, was mainly driven by the grade and volumes of material purchased and processed during the last quarter.

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Operations and Finance Report

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 get 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 period the balance funded remained relatively unchanged at GBP6,605,000 (2021 - GBP6,910,485)

Outlook

As per the outlook of the previous financial period, the focus during the period has been, and will continue to be on:

- investing into research and development to identify different processing methods and equipment to maximize value from resources available;
- expanding our environmental services delivery to industry;
- identifying opportunities for growth in the recovery operations by investing into other locations and into additional equipment in our current operation, as well as enhancing operational efficiencies. This should enable the processing of lower grade material at current operations and at different locations closer to the source; and
- further to the above, we will continue to leverage on industry relationships to increase long-term visibility so that we can increase our resources and available materials for processing.

The recovery operations have nearly always been cashflow generative and during the period we have utilized some of this cashflow to increase the Company's shareholding in GPL (effectively the share of the Group's investments) and purchasing shares from shareholders. 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.

During the 2023 financial period the South African operations will need to complete its investment into a new tailings facility at cost of GBP600,000 and we expect to finance this from operational cash flow. The focus for Ghana remains on sourcing material from West Africa, South America and the other regions, whilst re-positioning GRG to process lower grade material sourced from within Ghana. In line with this, the Group intends to establish a site in Brazil to enable it to source and process lower grade material in South America.

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 has invested GBP267,000 of capital into processing PGM's during the period.

We are working with DRD Gold to find the most economical 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.

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Operations and Finance Report

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
17 February 2023

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The 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 period 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 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 audit and financial management and systems.

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 30 years. This includes successfully co-founding what is now known as SNG-Grant Thornton, one of South Africa's Big5 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) with responsibility for chairing the group's audit committee. He also serves on the boards of Kumba Iron Ore Limited, Pioneer Foods Group Limited, a producer and distributor of a range of branded food and beverage products.

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)

A qualified medical doctor, Martin is 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.

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The Board

GERARD KEMP

Independent Chairman (Appointed 2022)

Before founding M Squared Resources (Pty) Limited, 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. 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.

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Directors' Report

The Directors present their report together with the audited financial statements of the Group for the year ended 30 June 2022 and the operations report.

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 £5,831,000 (2021 - £3,652,000) and an after-tax profit of £3,963,000 (2021 - £2,749,000).

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 2022 (2021 - £nil per share).

Share buy-back

Following the changes in the business's strategy to focus on the recovery operations, the intention of the Board, after considering capital requirements of the business to optimise long-term shareholder returns, is to distribute free cash flow generated from these operations back to shareholders. With this intention to distribute returns to shareholders, the Board considered a decision to return value to shareholders either through dividends or a share buy-back.

Informed by the firm belief that the Company's shares were trading at a significant discount to the Company's intrinsic value per share especially given the Company's strong trading results, the Board took a decision to repurchase some of the company's shares to enhance its net asset value, earnings and dividends per share.

The Company set up conditions for the program to ensure that its execution did not result in it violating the applicable market abuse regulations.

The initial intention was to purchase shares to the value of £200,000 but following the successful execution of the initial share buy-back program, a further repurchase of shares to the value of £200,000 was carried out. The program was concluded, resulting in the company buying back 5,325,000 shares at a cost of £400,000 which were subsequently cancelled.

Political donations

There were no political donations during the year (2021 - £Nil).

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.

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Directors' Report

Risk management

The Company's business model is set out in this Annual Report in the Operational and Financial Review, 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.

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

Set out in the Annual Report under The Board are biographies of each director including their experience relevant to their responsibilities at Goldplat, whether they are considered to be independent and their length of service as directors of the Company, and set out in the Directors Report is the number of meetings of the Board and the attendance record. Additionally, 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. On 13 October 2021 Martin Ooi was appointed as a non-executive director. Martin Ooi has 28.85% shareholding in the company.

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

– Audit Committee Report

The Audit Committee membership is Messrs. 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 to 30 June 2022 to discuss planning of the annual audit and matters arising from the audit. Representatives of 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, BDO LLP, were appointed in 2019 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 law.

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

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Directors' Report

– Remuneration Committee Report

The Remuneration Committee members are Gerard Kemp, Chairman 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.

In October 2021, following a review of the CEO's remuneration arrangements, the Remuneration Committee recommended that the CEO be awarded an option to acquire one million shares at market value on terms reflecting previous awards to executive directors, such award to take effect when the company was not in a Close Period. The recommendation was adopted by the board in October 2021, but only awarded on 11 January 2022. 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 period (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 director's employment contracts provide for six months' notice of termination on either side.

Existing options

Entitlements are set out in note 30 of the Report and Accounts.

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 meetings quarterly, as a minimum and have made themselves available to support the executive directors. Nigel Wyatt stepped down as a director at the time Company's AGM in December 2021.

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Directors' Report

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 period were attended by both members

During the year, nine board meetings were held. Save for one of these meetings, all the board meetings were attended by all the board members.

Directors' interests

The beneficial interests of the Directors holding office on 30 June 2022 in the issued share capital of the Company were as follows:

		30-Jun-22		30-Jun-21
	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	28.12%
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%	2 666 667	1.57%

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 to these financial statements.

2022

	Salaries	Fees	Other	Total
GBP'000	GBP'000	GBP'000	GBP'000	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

Management fees of GBP 16,669 (2021: GBP13,000) were paid during the reporting period by GPL to its minority shareholders, in which SS Ntsaluba has ultimate shareholding.

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Directors' Report

2021

	Salaries	Fees	Share-based payments	Total
GBP'000	GBP'000	GBP'000	GBP'000	GBP'000
M S Robinson	–	36	–	36
W Klingenberg	168	–	–	168
I Visagie (not re-elected - December 2020)	134	–	–	134
J H Van Vreden (Resigned - May 2021)	114	–	–	114
G Kisbey-Green	–	21	–	21
N G Wyatt	–	25	–	25
S Ntsaluba	–	21	–	21
	416	103	–	519

Directors' options

A director of the company exercised his options during the year, which were due to lapse in July 2021 as disclosed in the share options note 14.

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 and thus adopted the going concern basis in preparing these financial statements.

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 period 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.

During the period the Department of Water and Sanitation of the Republic of South Africa has authorised the water use by 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 expected to have sufficient capacity to store the tailings we will produce in our current operations for the next seven years.

A reverse stress test indicated that the business, alongside certain mitigating actions, which are in fully in control of the directors, would be capable of withstanding reduction of Group cashflow to negative GBP400,000 and still maintain its commitments over the next 24 month period. This is a position the directors are confident it can maintain during the medium term.

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Directors' Report

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

Per this GPL is most sensitive to changes in its free cashflow and without assistance from the Group, will need to maintain its free cashflow at a minimum of 40% of forecasted levels to ensure it meets relevant free cashflow to debt covers. This is a position the directors are confident it can maintain during the medium term.

At the statement of financial position date, GPL still had GBP2.4 million outstanding on the facility and required to pay back circa GBP96,000 per month. At the reporting date, the balance outstanding to Nedbank was GBP2m.

The Group also assessed the impact of another Covid-19 pandemic, the war in Ukraine and current high inflationary environment or something similar might have on the business.

We gained significant experience from the Covid-19 pandemic, in terms of the potential operation impact, the regulatory responses in jurisdictions we operate and on our community and staff. The Group operations was classified as an essential service provider during the shut-down caused by Covid-19, which meant that the operations could continue with limited impact on its operations.

Apart from the indirect impacts of the war in Ukraine had on prices increases and relating high inflation, the Group operations are not impacted directly by the unfortunate events in the Ukraine itself. The price increases has had an impact in the increases in consumables, chemicals, fuel, electricity and other costs and we foresee that this will continue in the medium terms. The factors however has had a limited impact on the sourcing and cost of the material we procure, as well as the market we sell the precious metals into, apart from increases in transport and shipping costs.

In light of current trading and revised forecasts, the Directors have assessed the possible downturn in operating margin and free cashflow and the impact of such potential downturns our ability to operate and the likelihood of such events to incur. The directors believe that combined likelihood of these events to occur or level of its impact to be low. The directors believe there is no material uncertainty in this regard and concluded that it does not impact the basis of preparation of the financial statements.

The going concern period reviewed by the directors was the 24 month period to December 2024 as that is reliably how far the Board can forecast given the sourcing risk involved.

Licensing

The Group's operations in Ghana and South Africa are dependent on various licenses and licensing requirements to carry out its operations. The Group ensure they comply to all reporting requirements under said licensing conditions and remain in good standing with authorities governing these licenses. Currently, Gold Recovery Ghana Limited is awaiting approval of the renewal of its environmental permit and are in the process of renewing its minerals license which expires in February 2023 and management is confident that we will be successful in both.

During the period 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 Group performance.

Financial instruments risk

Details of risks associated with the Group's financial instruments are given in Note 32 to the financial statements. The Company does not utilise any complex financial instruments.

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Directors' Report

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Company financial statements in accordance with UK-adopted International Accounting Standards and applicable law. 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 period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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 period 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

BDO LLP was reappointed as auditors at annual general meeting on 31 December 2021. BDO LLP has indicated its willingness to continue in office and a resolution will be proposed at the annual general meeting to reappoint BDO LLP as auditor for the next financial year.

On behalf of the board

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Directors' Report



Werner Klingenberg

Director

17 February 2023

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Strategic Report

The directors present their Strategic Report for the year ended 30 June 2022.

The Strategic Report is a statutory requirement under the 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 Companies Act 2006 which sets out the directors' duty to promote the success of the Company.

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; finding a final deposition site for, and optimizing the processing of, the TSF material; and realising the proceeds from the sale of KPG.

Principal Activity

The Group's operating businesses are based in Africa and comprise of 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 Benoni. 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 Operations and Finance 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.

Risks and uncertainties

The principal risks and uncertainties facing the Group at this stage in its development are:

Supplier Risk

Information on the operations and financial position including our analysis of our key performance indicators of the Group is set out in the Operations and Finance Report, Chairman's Statement and the annexed financial statements. Contracting with the mining groups and not the mines directly, the number of suppliers it has contracts with is limited. The number of suppliers per product type and segment is listed below

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Strategic Report

Segment Operations	Product Type	Number of major Suppliers
South Africa	Low-grade surface sources	5
South Africa	Woodchips	6
South Africa	By-products	5
West Africa (including South Africa)	By-products	6

A major supplier is a supplier that supplied a material amount of raw material to the operations during the last financial period.

The number of major suppliers for the West African Recovery segment includes clients from South America and other geographical areas. The loss of one supplier can potentially have a significant impact on production, turnover and margin of the business.

The Group aim to mitigate these risks by its flexibility in the types of material it processes and building of strategic partnerships in the industry and employing a sourcing team managing relationship and seeking new clients. The Group follows the responsible gold guidelines as set-out by the London Bullion Mark Association ("LBMA") and its processes is audited on annual basis, to provide further comfort to its suppliers, partners and customers.

Purchasing risk

The main business of the Group, the recovery of gold from by-products of the mining industry, requires such by-products to be available for purchase by the Group at prices which allow profitable processing by the Group. As mining companies become more efficient or close existing operations due to life of mine, both the volumes of available materials and their precious metal content may be reduced.

The purchasing risk is magnified by the short terms of contracts for the supply of material.

The Group aim to mitigate these risks by its flexibility in the types of material it processes. It has also been in the forefront of producing "Responsible Gold" which gives it a competitive advantage over its competitors. This risk is further mitigated by expanding the Group's sourcing efforts from African based producers to producers outside Africa.

Albeit these efforts, the volume and quality of feed material will differ from month to month resulting in fluctuating margins.

Risk in regards to variability in mixture of raw material

Mining companies supply 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.

The recovery operations are staffed with management with adequate knowledge and experience to evaluate raw materials and plan production to limit the fluctuations. The variety of products processed and materials received from different clients partially limits these fluctuations.

Ad-hoc contracts or supply from clients can have significant impact on quarterly production numbers.

Raw Material and Processing Technical risk

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.

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The recovery operations are staffed with management with adequate knowledge and experience to evaluate raw material before procurement of material and to manage the parameters in the plant to ensure optimum recovery of precious metals during processing.

Albeit these efforts, the return from various raw material fed into the plant will differ month to month resulting in fluctuating margins.

Price risk

The gold and precious metals produced by the Group are sold at world spot prices which may fluctuate substantially and which are not directly related to the cost of production. The Group mitigate this risk for by-product material through having contracts where the value paid to the supplier is linked to the price received for precious metal concentrates sold. The Group further seeks to mitigate this risk in part by adjusting the price it pays for future materials for processing but its margins remain sensitive to the changes in the gold price, specifically on low grade material where the cost of processing is a significant part of the cost of production.

The Group sensitivity to fluctuating prices has been further defined under Market Risk in note 32 of the financial statements.

Environmental risk

Due to the nature of Goldplat Operation and its potential impact on the Environment it needs to ensure that its day-to-day operations comply with current regulations, do not adversely impact on the Environment and what is increasingly expected from all stakeholders. The Company mitigate the risk through using external environmental consultants and specialist to monitor and assess its impact on the environment and design methods to limit these going forward. The Company is currently embarking on a process to analyse, quantify and report on our environmental impact and if and where required with refine our operations, in a manner which we believe investors will increasingly expect. Please refer to the directors' report for further details with regards to this.

Security (Theft) Risk

The Company recover high value precious metals with high liquidity in formal and informal markets. This increases the risk of financial loss due to theft. The risk is managed through limiting the time from production and sale of material, specifically higher-grade, and higher value items. The items are also secured in higher security areas requiring more than one person to access. The value of material on site and transported is also secured with reputable insurance providers.

Financing and Liquidity risk

The Company may need to finance expansion through the equity and debt markets in futures to obtain finance for project development. There is no certainty such funds will be available when needed. This risk is mitigated for Goldplat in so far as its primary activities are cash generative. To manage the daily working capital requirements in the Group, we finance material on route and at smelters for final processing to enable us to settle suppliers materials earlier.

Outstanding balances on this facility was paid in full subsequent to year end and this facility has been cancelled.

Political risk

All countries carry political risk that can lead to interruption of activity. Politically stable countries can have enhanced environmental and social permitting risks, risks of strikes and changes to taxation whereas less developed countries can have in addition, risks associated with changes to the legal framework, civil unrest and government expropriation of assets. This risk will be mitigated to some extent by only expanding into countries that pose a low country risk as perceived at the time.

Partner risk

The Group can be adversely affected if business partners are unable or unwilling to perform their obligations or fund their share of future developments. The Group subsidiary, GPL, has a minority shareholder of 9.37%.

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The partner risk is managed through appointing the owner of the minority shareholder on the GPL board as chairman and also on the Group's board. This is helpful to ensure alignment of the strategic direction between the Group and its partner.

Financial Instruments

Details of risks associated with the Group's financial instruments are given in Note 32 to the financial statements. The Company does not utilise any complex financial instruments.

Internal Controls and Risk Management

The directors are responsible for the Group's system of internal financial control. Although no system of internal financial control can provide absolute assurance against material misstatement or loss, the Group's system is designed to provide reasonable assurance that problems are identified on a timely basis and dealt with appropriately.

In carrying out their responsibilities the directors have put in place a framework of controls to ensure as far as possible that ongoing financial performance is monitored in a timely manner, that corrective action is taken and that risk is identified as early as practically possible, and they have reviewed the effectiveness of internal financial control.

The Board, subject to delegated authority, reviews regulatory issues, capital investment, property sales and purchases, additional borrowing facilities, guarantees and insurance arrangements.

Forward Looking Statements

This Annual Report contains certain forward-looking statements that have been made by the directors in good faith based on the information available at the time of the approval of the Annual Report. By their nature, such forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will or may occur in the future. Actual results may differ from those expressed in such statements.

Environmental and Streamlined Energy and Carbon Reporting

Goldplat is committed to sustainable development and recognises that 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.

During the financial year under review, we focussed on building up a database and establishing a baseline on some of the reporting purposes, specifically on energy use and greenhouse gas emissions.

Our operations impact on the environment and its stakeholders in more was that just our energy consumptions and greenhouse gas emissions and 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 over time.

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Energy Consumption and Greenhouse Gas Emissions

During the period 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 19.034GWh, which resulted in emissions in the order of 22,634tCO₂e.

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.

	Measurement	Revenue	Intensity Ratio
		GBP'000	
Energy Consumption	19.034Gwh	43 222	0.43kwh/GBP of Revenue
Greenhouse Gas Emissions	22,634tCO ₂	43 222	0.52kg/GBP of Revenue

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.

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 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.

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

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, 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.

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Who: Key Stakeholder groups Equity Investors and significant Partners	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
All substantial shareholders that own more than 3% of the Company's shares are listed on Goldplat Plc website.	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.	Substantial Shareholders: As announced on October 2021, Martin Ooi, the substantial shareholder of the Company, was 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 28.85% 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 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.	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.		The CEO presented at a number of investor roadshows and one-to-one meetings. At the Company's AGM on 31 December 2021, all resolutions were duly passed.

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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
<p>Suppliers of Gold Bearing Material:</p> <p>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.</p>	<p>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.</p> <p>To achieve this, Goldplat has to earn the trust of the supplier, perform in a transparent and ethical manner and deliver an acceptable return.</p>	<p>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 period 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.</p> <p>Communication is with the plant operations and management.</p> <p>Supplies are normally delivered based on a written contract which is renewed from time to time.</p>	<p>Every mining company has its own structures within which Goldplat has to operate. Historically we have mostly engaged with Metallurgical and Financial Management.</p> <p>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.</p> <p>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.</p> <p>During the year the Group maintained all contracts in Ghana and in South Africa.</p>
<p>Debt providers</p> <p>The Company has entered into a Nedbank facility of GBP 3,000,000 which was utilised to buy back the minority shareholding.</p>	<p>Nedbank provides the facility to enable the Company to buy back the minority shareholding.</p>	<p>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.</p>	<p>During the period we concluded utilised the facility provided and bought back the minority shares.</p>

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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
<p>Workforce: The balance of the Company's directors and workforce are based at the operations in South Africa and Ghana.</p>	<p>The Group employs approximately 427 employees for the recovery operations in South Africa and Ghana.</p>	<p>The Company maintains an open line of communication between its employees, senior management and Board of Directors.</p>	<p>The Company's recovery operations successfully re-negotiated all salary and incentive packages effective 1 May 2022.</p>
<p>The Company also employs a Sourcing Manager based in Brazil who interacts with the supplies in South America.</p>	<p>All these countries have low levels of employment and our employees value the job creation and the financial benefits of our activities.</p> <p>The Company understands that our employees has gained specific skills which is vital to sustain our unique recovery businesses</p> <p>The Company's long-term success is dependent on the continued support of our workforce.</p> <p>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.</p>	<p>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.</p> <p>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.</p> <p>Most employees are incentivised and from that point of view their objectives are aligned with those of the Company.</p>	<p>Directors salaries were adjusted by the remuneration committee.</p> <p>Staff turnover throughout the Group is low.</p>

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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
<p>Governmental bodies:</p> <p>The Company is impacted by local governmental organisations in the UK, South Africa and Ghana.</p>	<p>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.</p> <p>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.</p> <p>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.</p>	<p>Each operation has a local board with local representation which interacts with the respective Governments.</p> <p>Mostly the interaction is by way of formal reporting on:</p> <ul style="list-style-type: none">• 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. <p>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.</p> <p>Goldplat's executive management seeks to maintain regular and open dialogue with all regulatory authorities and, as appropriate, local community representatives.</p>	<p>During the period the Group subsidiary in South Africa, has received a Temporary Air Emissions License, which it aim 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.</p> <p>Engagement with the government organisations in the United Kingdom, South Africa and Ghana continues.</p>

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Who: Key Stakeholder groups

Community:

The local community in South Africa and Ghana.

Why: Why is it important to engage this group

The community provides social licence to operate no matter the location.

How: How Goldplat Plc engaged with the stakeholder group

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.

What: What came of the engagement with stakeholder group

The Company has ongoing engagements with the local communities in which it operates.

In South Africa, being dictated by government laws and charters, the Company is compliant. Our infrastructure project contributing GBP51,311 to build classrooms was successfully concluded in 2018 and we are currently planning investment of the same amount at a school in the community.

We view the local community as a partner and maintaining a sustainable business in the long term is dependent on this good relationship.

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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 reduction in the BEE ownership will impact on GRL's ability to renew its mining right in South Africa when it comes up for renewal in May 2023. GRL however does not plan to renew this mining right as it does not have an identified minerals deposit and can continue its current operations under the Refining License which only expires on 1 November 2040. Nonetheless, 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.

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	Why: Why is it important to engage this group	How: How Goldplat Plc engaged with the stakeholder group	What: What came of the engagement
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 period.
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. This enables the Company to maintain low stock levels and improves critical cashflow to support earlier settlement to suppliers of material.

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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:

Share repurchase of minority shareholding in GPL

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 ("the Transaction").

GPL had two minority shareholders, Amabubesi Property Holdings Proprietary Limited ("Amabubesi") and Dartingo Trading 161 Proprietary Limited ("Dartingo"), who respectively held an 11% and a 15% interest in GPL. Following a notification received from the two minority shareholders indicating their intention to dispose of their shareholdings, GPL agreed to repurchase all of the Dartingo shareholding and 7.33% of the shares held by Amabubesi for ZAR 89.3 million (approximately GBP4.5 million). Amabubesi and Dartingo are companies connected with Goldplat's Non-Executive Director, Mr Sango Ntsaluba.

Subsequent to the Transaction, GPL issued to Aurelian Capital Proprietary Limited ("Aurelian"), a company associated with Mr Ntsaluba, shares amounting to 4.90% of GPL, at the same valuation as the share repurchase, for ZAR 16 million (approximately GBP807,000) as described further below. As a result of the Transaction, Goldplat own 90.63% of GPL and Mr Ntsaluba own, directly and indirectly, 9.37% of GPL.

The consideration for the repurchased shares of ZAR 89.3 million (approximately GBP4.5 million) was to be settled in two instalments, with 50% settled when the first payment was received from the funding arrangement with Nedbank as described below and the remainder not later than 180 days thereafter. Separately GPL has agreed with the minority shareholders to bring forward the settlement date of the second instalment as far as is practical for GPL. The net cost to GPL of the Transaction will be ZAR 73.4 million (approximately GBP3.7 million), and Goldplat's share of the net cost of the Transaction to GPL is 90.63%, effectively resulting in its additional 16.63% interest in GPL costing Goldplat ZAR 66.52 million (approximately GBP3.35 million).

The Transaction values GPL at ZAR 400 million (approximately GBP20.2 million). For the year ended 30 June 2022, GPL made a post-tax profit of [ZAR 39.9 million (approximately GBP1.9 million)] and had net assets of [ZAR 276 million (approximately GBP13.9 million)].

Funding Arrangements

The Transaction was financed in part through a South African Rand denominated bank facility of ZAR 60 million (approximately GBP3.02 million) provided by Nedbank, of which 50% was drawn within the 30 days and the remainder in 90 days. The remainder of the consideration was settled through a set-off against the existing Amabubesi vendor loan of ZAR 12.6 million (approximately BP635,000) outstanding to the Group with the balance paid in cash.

The principal on the bank facility is repayable monthly over 36 months. The interest payable on the facility will be the South African Prime Rate plus 1.75%. As a condition of the facility from Nedbank, the Group's facility with Scipion, of GBP33,000, were settled in full and its securities over GPL will be cancelled.

Further to above, GPL did grant security over its debtors as well as a negative pledge over its moveable and any immovable property and a general notarial bond over all movable assets of GPL will be registered. The Group will further enter into a limited suretyship for ZAR 60 million (approximately GBP3.02 million), in favour of Nedbank.

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Related Party Transactions with Mr Sango Ntsaluba

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. The issue of the shares was subject to regulatory approvals and the waiver of pre-emptive rights by the remaining minority shareholders of GPL. Aurelian settle the ZAR 16 million (approximately GBP807,000) consideration as follows:

- ZAR 5 million (approximately GBP252,000) was settled in cash;
- A further ZAR 5 million (approximately GBP252,000) settlement will be settled as the Group settled its outstanding balance to GPL; and
- A vendor loan has been granted for a further ZAR 6 million (approximately GBP302,000), which will be repayable from distributions to be declared by GPL in respect of 1.84% of the shares in GPL held by Aurelian.

After the completion of the above transactions and cancellation of the repurchased shares, the Group held 90.63% of GPL (an increase of 16.63%), Aurelian 9.37%. Subsequent to above, Amabubesi's remaining shares were repurchased and shares to the same amount and value issued to Aurelian. Aurelian is therefore the only minority partner in South Africa and holds 9.37% of GPL.

By virtue of their size and because Mr Ntsaluba is both a director of Goldplat and a major shareholder of Amabubesi and Dartingo, both the share repurchases by GPL of 22.33% of shares held by Amabubesi and Dartingo and the issue by GPL of shares to Aurelian constituted related party transactions under Rule 13 of the AIM Rules for Companies. The independent directors, being the Goldplat board members with the exception of Mr Ntsaluba, consider, having consulted with the Company's Nominated Adviser, Grant Thornton UK LLP, that the terms of the transactions are fair and reasonable insofar as Goldplat's shareholders are concerned.

Compliance with BEE regulations

These transactions result in a reduction in the Black Economic Empowerment ("BEE") ownership of GPL. However, none of GPL's current licenses to operate are impacted by these changes. The reduction in the BEE ownership will impact on GPL's ability to renew its mining right in South Africa when it comes up for renewal in May 2023. GPL however does not plan to renew this mining right as it does not have an identified minerals deposit and can continue its current operations under the Refining License which only expires on 1 November 2040. 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.

The directors considered the following when making the decision

- increasing its shareholding in the Companies historically most profitable subsidiary in the Group and therefore the Group's share of dividends paid from GPL;
- increasing its share by 16.63% in the intercompany loan of GBP4.5 million (approximately ZAR 89,3 million) receivable by GPL from the Group and the 1% interest receivable on the loan, which is payable over the next 4 years;
- The basis for the transaction considering the involvement of related parties;
- The Company's ability to repay the Nedbank loan over the next 36 months; and
- The potential impact if the minority shareholding is taken up by a party unknown to the Group.



Werner Klingenberg

Director

17 February 2023

Independent auditor's report to the members of Goldplat Plc

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2022 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 Parent 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 have audited the financial statements of Goldplat Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2022 which comprise the consolidated and company statements of financial position, the consolidated statement of profit or loss and other comprehensive income, the consolidated and company statement of changes in equity, the consolidated and company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for Opinion

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the 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.

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 and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Discussing with Management and the Audit Committee their assessment of risks and uncertainties associated with areas such as the Group's workforce, supply chain, customer sales and commodity market prices that are relevant to the Group's business model and operations. We compared this against our own assessment of risks and uncertainties based on our understanding of the business and mining sector.
- Obtaining Management's base case cash flow forecast, challenging the key operating assumptions based on 2022 actuals and 2023 year to date actual results, external data and market commentary, where possible.
- Obtaining Management's reverse stress testing analysis which was performed to determine the point at which liquidity breaks and considering whether such scenarios, including significant reductions in commodity prices and production were possible given the dynamics of the sector and the level of economic uncertainty.
- Evaluating existing funding arrangements and assessing whether the forecasts indicated if any of the financial covenants may be breached during the going concern review period
- Testing the integrity of the forecast models and assessing their consistency with post year end trading when compared to budget forecasts.

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 and Parent 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.

Overview

Coverage	Areas subject to a full scope audit: <ul style="list-style-type: none"> • 100% (2021: 100%) of Group revenue • 99.8% (2021: 99.9%) of Group total assets 		
Key audit matters ('KAMs')		2022	2021
	Revenue Recognition	a	a
	Carrying value of property, plant and equipment (PPE), and goodwill	a	a
	Valuation of inventory	a	a
Materiality	Group financial statements as a whole £290,000 (2021: £181,000) based on 5% (2021: 5%) of profit before tax.		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

We determined that there were three significant components of the Group in addition to the Parent Company and these were each subject to a full scope audit. The financial statements consolidate these entities together with a number of non-trading subsidiary undertakings which are considered to be insignificant components.

The audits of the significant trading components were principally performed in the geographical location of the operations (South Africa and Ghana) by non-BDO member firms. The Group engagement team performed the audits of the Parent Company and the Intermediate Holding Company.

Specific audit procedures were performed to address the risks of material misstatement arising from key balances in non-significant components, with testing performed on all material balances to the Group within these components. These specific audit procedures were performed by the Group audit team.

All non-significant components were scoped in for analytical review procedures to confirm our conclusion that there were no significant risks of material misstatement in the financial information.

Our involvement with component auditors

For the work performed by the component auditors, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Group financial statements as a whole. Our involvement with these component auditors included the following:

- Detailed Group reporting instructions were sent, which included the significant areas to be covered by the audits (including areas that were considered to be key audit matters as detailed below), and set out the information required to be reported to the Group audit team.
- Regular communication throughout the planning and execution phase of the audit. The Group team attended regular virtual conference meetings throughout the audit and held completion calls with each component auditor to close out the component auditor's work from a Group audit perspective.
- The Group audit team was actively involved in the direction of the audit performed by the component auditor for Group reporting purposes, review of their working papers, consideration of findings and determination of conclusions drawn.
- The Group audit team performed procedures independently over certain key audit risk areas, as considered necessary, including the key audit matters below.
- The Group audit team visited the Group's main operational site in South Africa to verify key assets, meet with Management, and support the conclusions drawn from the review of the component auditor's working papers.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of the 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) that 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 the scope of our audit addressed the key audit matter	
<p data-bbox="145 353 373 387">Revenue recognition</p> <p data-bbox="145 689 357 723">(Notes 2.12 and 22)</p>	<p data-bbox="620 248 1046 495">The Group recognises revenue from the sale of precious metals when it completes its performance obligation which is usually determined to be when the metals are delivered to the customer and the customer takes control of the metals in line with contractual terms.</p> <p data-bbox="620 696 1046 1093">The key audit matter identified relates to the potential for cut off errors arising around the timing of the recognition of revenue and the assessment of the valuation of revenue to be recorded due to the subjective nature of the sales transactions which require assay valuations to conclude on pricing. Revenue is therefore considered to include an element of subjectivity and judgement relating to the timing of the recognition of revenue and the amount of revenue recognised.</p>	<p data-bbox="1051 215 1385 241">Our audit procedures included:</p> <ul data-bbox="1051 282 1492 1249" style="list-style-type: none"> <li data-bbox="1051 282 1492 461">• Reviewing a sample of contracts with customers to verify the appropriateness of the Group’s revenue recognition policy to check it is in line with the requirements of applicable accounting standards. <li data-bbox="1051 501 1492 651">• Testing a sample of sales transactions by agreeing the invoices to the third-party independent assay reports, gold valuation documents and delivery documentation. <li data-bbox="1051 658 1492 748">☑ Verifying the accuracy of gold prices and exchange rates used against independent sources of information. <li data-bbox="1051 754 1492 875">• Assessing the appropriateness of the variable consideration restraint applied in the recognition of provisional revenue. <li data-bbox="1051 882 1492 1122">• Verifying sales 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. <li data-bbox="1051 1128 1492 1249">• Reviewing the financial statements for appropriateness of disclosures in accordance with applicable accounting standards.

		<p>Key observations: We found Management’s revenue recognition policy to be in line with the requirements of applicable accounting standards and management’s judgements relating to the timing of the recognition of revenue and the amount of revenue recognised to be appropriate.</p>
<p>Carrying value of PPE and Goodwill</p> <p>(Notes 2,3 2.4, 4 and 5)</p>	<p>Under applicable accounting standards, Management are required to review, at least annually, whether there are indicators of impairment in respect of its non-current assets.</p> <p>In the current global economic environment, there is an increased level of judgement involved in Management’s forecasting due to the uncertainty over the Group’s performance in both the short and long term.</p> <p>There is therefore a risk that potential impairment triggers relating to the non-current assets are not appropriately identified and the carrying value of the assets is not recoverable.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Evaluating Management’s identification of the appropriate Cash Generating Units (“CGU”) for the Group and the impairment indicators assessment for each CGU against the criteria in the accounting standards. • Performing an independent assessment of financial and non-financial data in order to seek to identify any other potential impairment indicators. <p>In respect of the impairment review prepared by Management and the Board, we:</p> <ul style="list-style-type: none"> • Compared the actual operating performance for each CGU for the year to historical forecasts in order to assess whether the CGUs were operating in line with forecasts and in order to assess the Group’s ability to forecast reliably. • Obtained, reviewed and sensitised the key inputs in Management’s discounted cash flow models, checking that the key inputs included in the models such as gold prices, production, capital expenditure and discount rates were reasonable and within an acceptable range based on our knowledge of the sector. In so doing we obtained and identified our own inputs from data sources available to us. • Tested the mathematical integrity of Management’s models and challenged the basis of preparation of the model to check it was in line with our expectations and an accepted valuation methodology for discounted cash flows. • Engaged with our own internal valuation experts to assist us to evaluate the discount rates used by Management in the impairment review.

		<p>Key observations:</p> <p>We found the judgements and estimates applied by Management in preparing the impairment models to be supportable and appropriate. We found the carrying value of PPE and goodwill recorded at the balance sheet date to be appropriate.</p>
<p>Valuation of inventory</p> <p>(Notes 2.4 and 11)</p>	<p>The Group's inventories comprise raw materials and precious metals on hand and in process and are recognised at the lower of cost and net realisable value. 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.</p> <p>There is a risk inventory is carried at cost which is more than its net realisable value.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Evaluating whether the inventory valuation methodology at the year-end was in line with the Group's accounting policy of inventory being recorded at the lower of cost and net realisable value. • Verifying Management's calculation of the net realisable value of precious metals on hand and corroborating this to assaying results produced by Management's Experts. • Assessing the competence of Management's Experts who were responsible for preparing the valuation report or internal experts used as appropriate. • Evaluating whether appropriate direct and production costs had been included in the cost of inventory and that these costs were recognised in accordance with the requirements of the relevant accounting standards • Testing the application of the Group's accounting policy for inventory valuation by confirming that inventory is valued at the lower of cost and net realisable value. • Obtaining third party confirmation of inventory in transit at the year end, to confirm existence and receipt of that inventory by customers subsequent to the year end. • Reviewing the financial statement disclosures to ensure they are presented in accordance with the requirements of the accounting standard. <p>Key observations:</p> <p>We found the judgements and estimates applied by Management in the valuation of inventory to be supportable and appropriate.</p>

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group		Parent Company	
	2022 £	2021 £	2022 £	2021 £
Materiality	290 000	181 000	150 000	126 700
Basis for determining materiality	Materiality was set at 5% (2021: 5%) of the profit before tax.		Materiality was capped at 50% of group materiality (2021: capped at 70% of group materiality)	
Rationale for the benchmark applied	We consider the use of profit before tax to be the most appropriate benchmark given it is a key measure for stakeholders based on market practice and investor expectations.		The Parent Company materiality was capped at a percentage of Group materiality.	
Performance materiality	203 000	126 700	105 000	88 690
Basis for determining performance materiality	Performance materiality was set at 70% (2021: 70%) of the above materiality levels.			
	The level of performance materiality was set after considering a number of factors including significant transactions in the year, the expected value of known and likely misstatements, and Management's attitude towards proposed misstatements.			

Component materiality

We set materiality for each component of the Group based on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £50,000 to £210,000 (2021: £30,000 to £114,200). In the audit of each component, we further applied performance materiality levels of 70% (2021: 70%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £5,800 (2021: £3,300). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated and Company Annual Financial Statements other than the financial statements and our auditor's report thereon. Our opinion on the 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.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: <ul style="list-style-type: none">• 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.
	In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Matters on which we are required to report by exception	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:
	<ul style="list-style-type: none">• adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or• the Parent 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 Directors' responsibilities statement, the Directors are responsible for the preparation of the 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 financial statements, the Directors are responsible for assessing the Group's 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We gained an understanding of the legal and regulatory framework applicable to the Group and the industry in which it operates, through discussion with Management and the Audit Committee and our knowledge of the industry. We focussed on significant laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, international accounting standards, Health and Safety, and tax legislations.
- We considered compliance with these laws and regulations through discussions with Management and the Audit Committee. Our procedures also included reviewing minutes from board meetings of those charges with governance to identify any instances of non-compliance with laws and regulations.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur. We identified these areas to be through posting of manual journals and improper revenue recognition. In addressing the risk of fraud including management override of controls and improper revenue recognition, we tested the appropriateness of journal entries made throughout the year by applying specific criteria.
- We performed a detailed review of the Group's year end adjusting entries and journals throughout the year, investigated any that appeared unusual as to nature or amount.
- We assessed whether the judgements made in accounting estimates were indicative of a potential bias and tested the application of cut-off and revenue recognition (refer to Revenue Recognition KAM).
- We identified areas at risk of management bias and reviewed key estimates and judgements applied by Management in the financial statements to assess their appropriateness.
- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and component auditors, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Anne Sayers

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Anne Sayers (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London

United Kingdom

17 February 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Goldplat PLC

(Registration Number 05340664)

Consolidated and Company Financial Statements for the year ended 30 June 2022

Statements of Financial Position

Figures in £ '000	Notes	Group 2022	Group 2021	Company 2022	Company 2021
Assets					
Non-current assets					
Property, plant and equipment	4	4 763	4 568	-	-
Right-of-use assets	19	576	574	-	-
Intangible assets	5	4 664	4 664	-	-
Investment in subsidiary or associate	6	1	1	20 274	20 268
Receivable on Kilimapesa sale	8	556	606	-	-
Other loans and receivables	10	189	636	-	-
Total non-current assets		10 749	11 049	20 274	20 268
Current assets					
Inventories	11	12 048	8 433	-	-
Trade and other receivables	12	9 902	13 003	11	178
Current tax assets		100	-	-	-
Receivable on Kilimapesa sale	8	142	58	-	-
Investment in Caracal Gold	9	727	-	-	-
Other loans and receivables	10	8	-	-	-
Cash and cash equivalents	13	3 895	3 459	16	22
Total current assets		26 822	24 953	27	200
Total assets		37 571	36 002	20 301	20 468
Equity and liabilities					
Equity					
Share capital	14	1 678	1 698	1 678	1 698
Share premium	14	11 562	11 491	11 562	11 491
Capital Redemption Reserve	14	53	-	53	-
Retained income / (accumulated loss)		9 530	6 846	1 009	(2 887)
Foreign exchange reserve	15	(6 170)	(5 258)	-	-
Total equity attributable to owners of the parent		16 653	14 777	14 302	10 302
Non-controlling interests		1 150	3 637	-	-
Total equity		17 803	18 414	14 302	10 302
Liabilities					
Non-current liabilities					
Provisions	16	811	787	-	-
Deferred tax liabilities	17	1 013	792	-	-
Interest bearing borrowings	18	1 417	-	-	-
Lease liabilities	19	111	110	-	-
Loan from group company		-	-	5 904	10 030
Total non-current liabilities		3 352	1 689	5 904	10 030

Goldplat PLC

(Registration Number 05340664)

Consolidated and Company Financial Statements for the year ended 30 June 2022

Statements of Financial Position

Figures in £ '000	Notes	Group 2022	Group 2021	Company 2022	Company 2021
Current liabilities					
Provisions	16	208	-	-	-
Trade and other payables	20	14 971	15 445	95	113
Current tax liabilities		-	128	-	-
Interest bearing borrowings	18	978	33	-	-
Lease liabilities	19	259	293	-	-
Loan from group company		-	-	-	23
Total current liabilities		16 416	15 899	95	136
Total liabilities		19 768	17 588	5 999	10 166
Total equity and liabilities		37 571	36 002	20 301	20 468

The financial statements of Goldplat plc, company number 05340664, were approved by the Board of Directors and authorised for issue on 17 February 2023. They were signed on its behalf by: Werner Klingenberg, Director.

The notes on pages 70 to 106 are an integral part of these consolidated financial statements.



Werner Klingenberg
17 February 2023

Goldplat PLC

(Registration Number 05340664)

Consolidated and Company Financial Statements for the year ended 30 June 2022

Statements of Profit or Loss and Other Comprehensive Income

Figures in £ '000	Notes	Group 2022	Group 2021
Revenue	22	43 222	35 400
Cost of sales		(33 228)	(29 201)
Gross profit		9 994	6 199
Other income		53	56
Administrative expenses	24	(2 332)	(1 694)
Profit from operating activities		7 715	4 561
Finance costs	25	(1 884)	(909)
Profit before tax		5 831	3 652
Income tax expense - continuing operations	26	(1 868)	(903)
Profit from continuing operations		3 963	2 749
Loss from discontinued operations		-	(570)
Profit for the year		3 963	2 179
Profit for the year attributable to:			
Owners of Parent		3 555	1 679
Non-controlling interest		408	500
		3 963	2 179
Other comprehensive income net of tax			
Exchange differences on translation relating to the parent			
(Losses) / gains on exchange differences on translation		(522)	719
Exchange reserve reclassified on loss of control of Kilimapesa		-	247
Total Exchange differences on translation		(522)	966
Exchange differences relating to the non-controlling interest			
(Losses)/Gains on exchange differences on translation		(5)	256
Total other comprehensive income that will be reclassified to profit or loss		(527)	1 222
Total other comprehensive income net of tax		(527)	1 222
Total comprehensive income		3 436	3 401
Comprehensive income attributable to:			
Comprehensive income, attributable to owners of parent		3 033	2 645
Comprehensive income, attributable to non-controlling interests		403	756
		3 436	3 401
Earnings per share from continuing and discontinuing operations attributable to owners of the parent during the year			
Basic earnings per share			
Basic earnings per share from continuing operations	27	2.08	1.32
Basic loss per share from discontinued operations		-	(0.34)
Total basic earnings per share		2.08	0.98

Goldplat PLC

(Registration Number 05340664)

Consolidated and Company Financial Statements for the year ended 30 June 2022

Statements of Profit or Loss and Other Comprehensive Income

Figures in £ '000	Notes	Group 2022	Group 2021
Diluted earnings per share			
Diluted earnings per share from continuing operations	27	2.05	1.32
Diluted loss per share from continuing operations		-	(0.33)
Total diluted earnings per share		2.05	0.99

The notes on pages 70 to 106 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 2022 was £4,286,536 (2021 - loss £3,540,000).

Goldplat PLC

(Registration Number 05340664)

Consolidated and Company Financial Statements for the year ended 30 June 2022

Statements 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 2020	1 675	11 441	-	(6 224)	5 167	12 059	3 057	15 116
Changes in equity								
Profit for the year	-	-	-	-	1 679	1 679	500	2 179
Other comprehensive income	-	-	-	719	-	719	256	975
Exchange reserve released through profit and loss on sale of Kilimapesa				247		247	-	247
Total comprehensive income for the year	-	-	-	966	1 679	2 645	756	3 401
Non-controlling interests in subsidiary dividend	-	-	-	-	-	-	(176)	(176)
Shares issued from options exercised	23	50	-	-	-	73	-	73
Balance at 30 June 2021	1 698	11 491	-	(5 258)	6 846	14 777	3 637	18 414
Balance at 1 July 2021	1 698	11 491	-	(5 258)	6 846	14 777	3 637	18 414

Goldplat PLC

(Registration Number 05340664)

Consolidated and Company Financial Statements for the year ended 30 June 2022

Statements 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
Changes in equity								
Profit for the year	-	-	-	-	3 555	3 555	408	3 963
Other comprehensive loss	-	-	-	(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%)	7	-	-	(500)	3 589	3 089	(3 089)	-
Increase of Non-Controlling Interest (4.67%)	7	-	-	110	(787)	(677)	677	-
Decrease of Non-Controlling Interest (4.24%)	7	-	-	(100)	715	615	(615)	-
Increase of Non-Controlling Interest (4.24%)	7	-	-	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
Notes	14	14	14					

The notes on pages 70 to 106 are an integral part of these consolidated financial statements.

Goldplat PLC

(Registration Number 05340664)

Consolidated and Company Financial Statements for the year ended 30 June 2022

Statements of Changes in Equity - Company

Figures in £ '000	Issued capital	Share premium	Share Redemption Reserve	Retained income / (accumulated loss)	Total
Balance at 1 July 2020	1 675	11 441	-	653	13 769
Changes in equity					
Loss for the year	-	-	-	(3 540)	(3 540)
Total comprehensive loss	-	-	-	(3 540)	(3 540)
Shares issued from options exercised	23	50	-	-	73
Balance at 30 June 2021	1 698	11 491	-	(2 887)	10 302
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 income	-	-	-	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
Note	14	14	14		

The notes on pages 70 to 106 are an integral part of these consolidated financial statements.

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Statements of Cash Flows

Figures in £ '000	Notes	Group 2022	Group 2021	Company 2022	Company 2021
Net cash flows from / (used in) operations	33	6 471	4 277	4 536	(73)
Finance cost paid		(1 884)	(909)	(41)	(8)
Income taxes paid		(1 590)	(1 059)	(69)	(5)
Net cash flows from / (used in) operating activities		2 997	2 309	4 426	(86)
Cash flows (used in) / from investing activities					
Proceeds from sale of Kilimapesa		312	-	-	-
Proceeds from sale of property, plant and equipment		142	18	-	-
Acquisition of property, plant and equipment		(850)	(979)	-	-
Decrease in cash from disposal of non-current assets held for sale		-	(6)	-	-
Receipt from long term receivable		-	74	-	-
Cost of Share Repurchase from Minority Shareholder in Subsidiary		(3 791)	-	-	-
Decrease of loans to subsidiary		-	-	-	25
Cash flows (used in) / from investing activities		(4 187)	(893)	-	25
Cash flows from / (used in) 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	73	-	73
Payment of interest-bearing borrowings		(673)	(872)	95	-
Interest paid on interest-bearing borrowings		-	(99)	-	-
Cost of Share Repurchase in Company		(401)	-	(401)	-
Repayments of other financial liabilities		-	-	(4 126)	-
Repayment of leases		(367)	(186)	-	-
Interest paid on lease liabilities		-	(21)	-	-
Payment of dividend by subsidiary to non-controlling interest		(139)	(176)	-	-
Cash flows from / (used in) financing activities		1 802	(1 281)	(4 432)	73
Net increase / (decrease) in cash and cash equivalents		612	135	(6)	12
Cash and cash equivalents at beginning of the year		3 459	3 146	22	10
Foreign exchange movement on opening balance		(176)	178	-	-
Cash and cash equivalents at end of the year	13	3 895	3 459	16	22

The notes on pages 70 to 106 are an integral part of these consolidated financial statements.

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Accounting Policies

1. General information

Goldplat plc (the 'Company') 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 financial statements have been prepared in accordance with UK - adopted International Accounting Standards ("IAS"), with future changes being subject to endorsement by the UK Endorsement Board, 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 ("GBP"), 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 financial statements in conformity with UK - adopted IFRS 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 to the value of £4,664,000 (2021: £4,664,000) (Note 5)
- Inventory - precious metals on hand and in process to the value of £8,186,000 (2021: £4,303,000) (Note 11)
- Rehabilitation provision £811,000 (2021: £787,000) (Note 16)
- Useful economic lives (Note 2)
- Estimated revenue to the value of £7,571,575 (2021: £10,790,069) (note 2.12)

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Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

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.

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 in the subsidiary is accounted for at amortised 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.

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Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

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.

Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The group's share of post-acquisition profit or loss is recognised in the statements of profit or loss and other comprehensive income, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the statements of profit or loss and other comprehensive income.

Profits and losses resulting from upstream and downstream transactions between the group and its associate are recognised in the group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

Dilution gains and losses arising in investments in associates are recognised in the statements of profit or loss and other comprehensive income.

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Consolidated and Company Financial Statements for the year ended 30 June 2022

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

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.

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Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

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 analyzed 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.

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Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

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.

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.

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Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

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 £ nil (2021: £636,000) as fair value through profit or loss. Due to the short nature of these amounts the impact on the profit or loss is immaterial.

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.

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Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

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.

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 Non-current assets or disposal groups classified as held for sale

Non-current assets and disposal groups are classified as held for sale when:

- They are available for immediate sale
- Management is committed to a plan to sell
- It is unlikely that significant changes to the plan will be made or that the plan will be withdrawn
- An active programme to locate a buyer has been initiated
- The asset or disposal group is being marketed at a reasonable price in relation to its fair value; and
- A sale is expected to complete within 12 months from the date of classification

On initial classification as held-for-sale, generally, non-current assets and disposal groups are measured at the lower of the carrying amount and fair value less costs to sell, with any adjustments taken to profit or loss (or other comprehensive income in the case of a revalued asset). The same applies to gains and losses on subsequent remeasurement. However, certain items, such as financial assets within the scope of IAS 39: Financial Instruments: Recognition and Measurement and investment property within the scope of IAS 40: Investment Properties, continue to be measured in accordance with those standards.

Impairment losses subsequent to classification of assets as held-for-sale are recognised in profit or loss. Increases in fair value less costs to sell assets that have been classified as held-for-sale are recognised in profit or loss to the extent that the increase is not in excess of any cumulative impairment loss previously recognised in respect of the asset

Gains and losses on remeasurement and impairment losses subsequent to classification as disposal groups and non-current assets held-for-sale are shown within continuing operations in profit or loss, unless they qualify as discontinued operations. Disposal groups and non-current assets held-for-sale are presented separately from other assets and liabilities on the statement of financial position. Prior periods are not reclassified.

2.7 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.

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Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

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 carryforward 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.

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.

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Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

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

2.8 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.

2.9 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.

2.10 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). See also permissible capital payment. The provisions relating to the capital redemption reserve are set out in section 733 of the Companies Act 2006.

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Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

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.

2.11 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.

2.12 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 is 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. Accordingly, the fair value of the final sales price adjustment is reestimated continuously and changes in fair value recognised, when and in the period it occurs, as an adjustment to the revenue in profit or loss and trade receivables in the statement of financial position.

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.

2.13 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 14.

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Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

2.14 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.

2.15 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.

2.16 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 2021 (the list does not include information about new requirements that affect interim financial reporting or first-time adopters of IFRS since they are not relevant to the company). 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.

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Accounting Policies

Changes in accounting policies and disclosures continued...

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 period, 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.

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Figures in £ '000

4. Property, plant and equipment

	Buildings	Leasehold property	Machinery	Motor vehicles	Office equipment	Environmental 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

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Figures in £ '000

Property, plant and equipment continued...

Reconciliation for the year ended 30 June 2021 - Group	Buildings	Leasehold property	Machinery	Motor vehicles	Office equipment	Environmental asset	Total
Balance at 1 July 2020							
At cost	360	233	5 640	698	66	530	7 527
Accumulated depreciation	(170)	(154)	(2 565)	(503)	(49)	(186)	(3 627)
Net book value	190	79	3 075	195	17	344	3 900
Movements for the year ended 30 June 2021							
Additions	-	-	866	99	14	153	1 132
Depreciation	(18)	-	(408)	(51)	(4)	(37)	(518)
Recognition of Right of Use assets	-	-	-	7	-	-	7
Disposals	(3)	-	(7)	(8)	(9)	-	(27)
Effect of movements in exchange rates	(5)	(5)	38	16	1	29	74
Property, plant and equipment at the end of the year	164	74	3 564	258	19	489	4 568
Closing balance at 30 June 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

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Figures in £ '000	Group 2022	Group 2021	Company 2022	Company 2021
5. Intangible assets				
5.1 Reconciliation of changes in intangible assets				
	Goodwill	Mining rights and preproduction expenditure	Total	
Reconciliation for the year ended 30 June 2022 - Group				
Balance at 1 July 2021				
At cost	4 664	-	4 664	
Accumulated amortisation	-	-	-	
Net book value	4 664	-	4 664	
Closing balance at 30 June 2022				
At cost	4 664	-	4 664	
Accumulated amortisation	-	-	-	
Net book value	4 664	-	4 664	
Reconciliation for the year ended 30 June 2021 - Group				
Balance at 1 July 2020				
At cost	5 631	145	5 776	
Impairment	(967)	(145)	(1 112)	
Net book value	4 664	-	4 664	
Closing balance at 30 June 2021				
At cost	4 664	-	4 664	
Accumulated amortisation	-	-	-	
Net book value	4 664	-	4 664	

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Figures in £ '000	Group 2022	Group 2021	Company 2022	Company 2021
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Intangible assets continued...

Impairment assessment

- 5.2.1 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, Sotuh Africa and Ghana, were assessed by performing a discontinued 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 2023. 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 of 0% (2021: 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 period for South Africa and Ghana was 18.1% and 30.5% 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.

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6. Investment in subsidiary or associate

6.1 Investment in subsidiary

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%	74%	Daveyton Road, New Modder, Benoni, 1501, South Africa
Goldplat 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%	0%	Av. Contorno, 2905, Santa Efigenia, 30.110-915, Belo Horizonte/Minas Gerais, Brazil
Gold Recovery Peru SAC	100%	0%	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 2022	Group 2021	Company 2022	Company 2021
Opening balance	1	1	20 268	9 425
Increase in investment	-	-	6	14 500
Impairment	-	-	-	(3 657)
	<u>1</u>	<u>1</u>	<u>20 274</u>	<u>20 268</u>

During the period the group opened two subsidiaries, Gold Recovery Brasil and Gold Recovery Peru, in Brasil and Peru respectively. We had limited trade and operations in these subsidiaries to date.

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 GPR.

The value of the investment by Plc in GMR and GPR was assessed separately due to these being two different cashflow units being held by Plc. The recoverable amounts of the CGU's were assessed by performing a nett 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 period.

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7. Non-controlling interest

During the period the Group's subsidiary, Goldplat Recovery (Pty) Limited entered into the following transactions with its minority shareholders. (Cross reference to related party note 29).

- 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 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%.

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

Date	Change in Non-Controlling Interest	Attributable to Owners of the Parent			Total movement attributable to Owners of the parent	Total equity movement
		Increase/ (Decrease) in the carrying value of the Non-Controlling Interest	Increase/ (Decrease) in share of foreign currency translation loss	Increase/ (Decrease) in share of retained income		
		GBP'000	GBP'000	GBP'000	GBP'000	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.

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Figures in £ '000

8. Receivable on Kilimapesa sale

Receivable from Kilimapesa sale	698	664	-	-
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The receivable relates to the 1% net smelter royalty on production of Kilimapesa to the maximum of USD1,500,000.

Non-current assets	556	606	-	-
Current assets	142	58	-	-
	698	664	-	-

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 GBP698,000 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 forecast in the market as at end of the period 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	The higher the discount rate, the lower the fair value.
	Gold sales: oz - 2023: 15,000 oz - 2024: 20,000 oz - 2025: 20,000 oz - 2026: 20,000 oz - 2027: 12,099 (balancing figure to get to USD1,500,000 in royalties)	The higher the production level, the higher the fair value The higher the gold price, the higher the value
	The average gold price of 1,700 USD/oz is used	The higher the costs, the lower the value
	Based on historical figures provided, an average selling cost of 5% is applied	

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9. Investment in Caracal Gold

Opening balance - 1 July 2021	-	-	-	-
Additions	1 367	-	-	-
Disposals	(312)	-	-	-
Change in fair value recognised in profit/(loss)	(328)	-	-	-
Closing balance - 30 June 2022	727	-	-	-
Non-current assets	-	-	-	-
Current assets	727	-	-	-
	727	-	-	-

10. Other loans and receivables

Amabubesi (Pty) Ltd	-	636	-	-
Aurelian receivable	197	-	-	-
	197	636	-	-

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.

Non-current assets	189	636	-	-
Current assets	8	-	-	-
	197	636	-	-

11. Inventories

Raw materials	2 730	3 424	-	-
Consumable stores	1 132	706	-	-
Precious metals on hand and in process	8 186	4 303	-	-
	12 048	8 433	-	-

Inventories are initially recognised at cost, and subsequently 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 period inventory (which include all production costs) expensed through the statement of profit and loss was GBP33 228 000 (2021 – GBP29 201 000)

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12. Trade and other receivables

Trade receivables	8 620	11 986	-	129
Sundry debtors	1	12	-	-
Prepaid expenses	68	157	1	39
Other receivables	795	618	-	-
Value added tax	418	230	10	10
	<u>9 902</u>	<u>13 003</u>	<u>11</u>	<u>178</u>

At 30 June 2022, GBP7,421,000 (2021: GBP6,910,000) 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 GBP7,421,000 (2021: GBP6,910,000) 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:

At 1 July 2021	-	-	-	-
Current year adjustment	14	-	-	-
At 30 June 2022	<u>14</u>	<u>-</u>	<u>-</u>	<u>-</u>

There overall risk as at 30 June 2022 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 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 period. The estimated credit loss was adjusted for in the current period.

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 2022 was GBP13 648 and the comparatives have not been restated.

13. Cash and cash equivalents

Cash

Balances with banks	<u>3 895</u>	<u>3 459</u>	<u>16</u>	<u>22</u>
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Figures in £ '000

Cash and cash equivalents continued...

Net cash and cash equivalents

Current assets	3 895	3 458	16	22
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14. Share capital, premium and redemption reserve

14.1 Authorised and issued share capital

Issued

Ordinary shares	1 678	1 698	1 678	1 698
	1 678	1 698	1 678	1 698
Share premium	11 562	11 491	11 562	11 491
	13 240	13 189	13 240	13 189

Share reconciliation

Share Capital outstanding - beginning of the period	1 698	1 675	1 698	1 675
Issued	33	23	33	23
Repurchased	(53)	-	(53)	-
Share Capital outstanding - closing	1 678	1 698	1 678	1 698

Share Premium outstanding - beginning of the period	11 491	11 441	11 491	11 441
Issued	71	50	71	50
Repurchased	-	-	-	-
Share Premium outstanding - closing	11 562	11 491	11 562	11 491

14.2 Additional disclosures

Shares issued from issued exercised

During the current year, additional shares were issued to current shareholders resulting in an increase in share capital and premium. The transactions are detailed below:

	Date	Share Capital Movement	Share Premium Movement
Previous employee	6-Aug-21	10 000	21 250
Previous employee	13-Apr-22	10 000	21 250
Gerard Kisbey Green (Director)	6-Aug-22	13 333	28 333

Shares repurchased

During the period the company repurchased 5 325 000 number of shares, which was held in treasury, until it was subsequently cancelled. No shares is held in treasury at the balance sheet date. Share capital of GBP 53 000 has been transferred to a capital redemption reserve.

Capital Redemption Reserve

During the period the company repurchased 5 325 000 number of shares and value of GBP 53 000 incurred was transferred to this reserve (GBP 53 000 from Share Capital).

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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.

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Figures in £ '000	Group 2022	Group 2021	Company 2022	Company 2021
16. Provisions				
	Environmental	Other	Total	
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	<u>811</u>	<u>208</u>	<u>1 019</u>	
Balance at 1 July 2020	549	-	549	
Increase in provision	185	-	185	
Effect of foreign exchange movements	53	-	53	
Balance at 30 June 2021	<u>787</u>	<u>-</u>	<u>787</u>	
Non-current portion			811	
Current portion			208	
Total provisions			<u>1 019</u>	

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. 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 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 GPR 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 period, the provision had to be increased to account for the additional capital incurred.

Other provision relate to certain tax claims in the Group subsidiaries. The Group is still contesting these claims, however after engagement with specialist on the matter has raised a provision.

17. Deferred tax

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

Deferred tax liabilities:

- Deferred tax liability to be recovered within 12 months

	(1 013)	(792)	-	-
	<u>(1 013)</u>	<u>(792)</u>	<u>-</u>	<u>-</u>
Net deferred tax liabilities	<u>(1 013)</u>	<u>(792)</u>	<u>-</u>	<u>-</u>

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Deferred tax continued...

Group	Deferred tax
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)
Opening balance at 1 July 2020	(919)
Current charge - temporary difference	199
Effect of foreign exchange movements	(72)
Closing balance at 30 June 2021	(792)
Comprising:	2022
2022	
Capital allowances	1 160
Unrelieved tax losses and provisions	(147)
	1 013
2021	
Capital allowances	1 032
Unrelieved tax losses and provisions	(240)
	792

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18. Interest Bearing Borrowings

Interest Bearing Borrowings	2 395	33	-	-
Non-current portion of interest bearing borrowings	1 417	-	-	-
Current portion of interest bearing borrowings	978	33	-	-
	2 395	33	-	-

During the period, 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:

- A security session of cession of all present and future debtors; and
- A Negative Pledge over moveable and any immovable property by Goldplat Recovery (Pty) Ltd.
- Limited suretyships of R 60 million (sixty million rand) (incorporating cessions of claims), in favour of Nedbank, by Goldplat Plc.
- 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).
- 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.
- 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'.

19. Lease liabilities

19.1 Lease liabilities comprise:

Lease obligation	370	403	-	-
Plant, machinery and motor vehicles				
Opening balance on 1 July	403	351	-	-
Additions	333	247	-	-
Interest expense	21	21	-	-
Lease payment	(388)	(296)	-	-
Foreign exchange movements	1	80	-	-
Closing balance on 30 June	370	403	-	-
Non-current liabilities	111	110	-	-
Current liabilities	259	293	-	-
	370	403	-	-

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Lease liabilities continued...

19.2 Right of use asset

Plant, machinery and motor vehicles

Opening balance on 1 July	574	356
Additions	299	259
Amortisation	(76)	(59)
Disposals	-	(7)
Transferred to Property, Plant & Equipment	(219)	-
Foreign exchange movements	(2)	25
Closing balance on 30 June	<u>576</u>	<u>574</u>

The average lease term is 2 years. For the year ended 30 June 2022, 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 Group's lease liabilities are secured over the leased assets.

20. Trade and other payables

Trade creditors	2 543	2 425	87	72
Anumso license accrual	369	369	-	-
Accrued liabilities	4 638	5 741	-	-
Invoice financing creditor	7 421	6 910	8	41
Total trade and other payables	<u>14 971</u>	<u>15 445</u>	<u>95</u>	<u>113</u>

21. Financial Assets and Liabilities

Carrying amount of financial assets by category

	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
	<u>14 067</u>	<u>14 067</u>

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Financial Assets and Liabilities continued...

	At amortised cost	Total
Year ended 30 June 2021 - Group		
Other financial assets (Note 8)	664	664
Other loans and receivables (Note 10)	636	636
Trade and other receivables excluding non-financial assets (Note 12)	12 604	12 604
Cash and cash equivalents (Note 13)	3 459	3 459
	17 363	17 363

Carrying amount of financial liabilities by category

	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)	7 549	7 549
	10 314	10 314

	At amortised cost	Total
Year ended 30 June 2021 - Group		
Interest Bearing Borrowings (Note 18)	33	33
Lease liabilities (Note 19)	403	403
Trade and other payables excluding non-financial liabilities (Note 20)	8 535	8 535
	8 971	8 971

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22. Revenue	Group 2022	Group 2021
Sale of precious metals - Recovery operations	42 783	34 855
Processing fees charged to customers	439	545
Total revenue	43 222	35 400

Major customer

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

	2022		2021	
	%	Value	%	Value
South African Recovery Operations				
Customer 1	0%	-	4%	753
Customer 2	19%	4 138	15%	2 667
Customer 3	46%	9 859	61%	10 799
Customer 4	35%	7 522	19%	3 403
Total	100%	21 519	100%	17 622
West African Recovery Operations				
Customer 2	5%	957	12%	2 092
Customer 3	24%	5 292	23%	4 130
Customer 4	71%	15 454	65%	11 556
Total	100%	21 703	100%	17 778

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23. Employee benefits expense	Group 2022	Group 2021
Wages and salaries	4 009	3 938
Performance based payments	424	257
National insurance and unemployment fund	57	19
Skills development levy	37	29
Medical aid contributions	36	31
Group life contributions	58	61
Provident funds	53	61
Total	4 674	4 397
The average number of employees (including directors) during the period was:		
Directors	7	7
Administrative personnel	26	22
Production personnel	394	342
	427	371

Directors emoluments	Executive	Non-executive	Total
2022			
Wages and salaries	181	-	181
Fees	-	149	149
Other benefits	3	-	3
Total	184	149	333
2021			
Wages and salaries	407	-	407
Fees	-	103	103
Other benefits	9	-	9
Total	416	103	519

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

	2022	2021
Emoluments for qualifying services	184	168

Key management Apart from the Directors, the emoluments paid to key management personnel amounted to 2022 : £806,000 (2021: £603,000).

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Figures in £ '000	Group 2022	Group 2021	Company 2022	Company 2021
24. Administrative expenses				
Expenses by nature				
	Group 2022	Group 2021		
Depreciation expense	511	518		
Auditor's remuneration				
- Audit of parent and consolidation	94	55		
- Audit of subsidiaries	27	40		
Loss on disposal of property, plant and equipment	4	11		
25. Finance costs				
Bank overdraft and creditors	452	235		
Interest on finance leases	20	21		
Interest expense on borrowings	184	110		
Foreign exchange movement	1 228	543		
Total finance costs	1 884	909		
26. Income tax expense - continuing operations				
26.1 Income tax recognised in profit or loss:				
Current tax				
Current year	1 566	1 006		
Withholding tax on dividends paid by subsidiaries	71	80		
Total current tax	1 637	1 086		
Deferred tax				
Originating and reversing temporary differences	183	(10)		
Deferred tax rate adjustment	48	(173)		
Total deferred tax	231	(183)		
Total income tax expense from continuing operations	1 868	903		

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Figures in £ '000	Group 2022	Group 2021	Company 2022	Company 2021
<i>Income tax expense - continuing operations continued...</i>				
26.2 The income tax for the year can be reconciled to the accounting profit / (loss) as follows:				
Profit before tax from operations	5 831	3 652		
Income tax calculated at 19.0%	1 108	694		
Tax effect of				
Expenses not deductible for tax purposes	47	22		
Effect of higher tax levied on overseas subsidiaries	296	30		
Tax losses incurred on overseas subsidiaries	361	233		
Prior year mining tax rate adjustment	(80)	(174)		
Withholding tax on dividends paid by subsidiaries	71	80		
Under provision for provisional tax	42	18		
Unwinding due to BEE charge	23	-		
Tax charge	1 868	903		

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

Goldplat Recovery (Pty) Limited income tax rate is calculated using a formula tax rate which is calculated use its profit margins and capital spend during the period. 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 periods 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 PLC where there is no indication of future taxable income.

27. Earnings per share

27.1 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:

Earnings used in the calculation of basic earnings per share for continuing operations	3 555	2 249
Weighted average number of ordinary shares used in the calculation of basic earnings per share	171 018	169 774

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Figures in £ `000	Group 2022	Group 2021	Company 2022	Company 2021
<i>Earnings per share continued...</i>				
27.2 Diluted earnings per share				
The earnings used in the calculation of diluted earnings per share are as follows:				
Earnings used in the calculation of basic earnings per share for continuing operations	3 555	2 249		
Earnings used in the calculation of basic earnings per share from discontinuing operations	-	(570)		
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	171 018	169 774		
Adjusted for				
- Dilutive effect of share options	2 039	787		
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	173 057	170 561		

28. Segment information

28.1 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.

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Segment information continued...

28.2 Segment revenues

Group 2022

Total segment
revenue

Year ended 30 June 2022

South African Recovery Operations

21 519

West African Recovery Operations

21 703

Group revenue

43 222

Year ended 30 June 2021

South African Recovery Operations

17 622

West African Recovery Operations

17 778

Group revenue

35 400

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Segment information continued...

28.3 Other incomes and expenses

	Depreciation for continued operations	Finance and Forex cost for continued operations	Finance and Forex income for continued operations	Reportable segment profit/(loss) before tax for continued operations	Taxation	Discontinued operations
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)	-
Year ended 30 June 2021						
South African Recovery Operations	(379)	(991)	125	2 358	(435)	-
West African Recovery Operations	(140)	(193)	-	2 122	(383)	-
Mining and Exploration	-	-	-	-	-	(570)
Administration	-	114	41	(3 987)	(85)	-
Intercompany trade and consolidation journals	-	161	(166)	3 159	-	-
Total other incomes and expenses	(519)	(909)	-	3 652	(903)	(570)

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Figures in £ '000	Group 2022	Group 2021	Company 2022	Company 2021
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Segment information continued...

28.4 Assets and liabilities

	Segment total assets	Segment total liabilities
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	19 767
Year ended 30 June 2021		
South African Recovery Operations	21 076	7 135
West African Recovery Operations	10 111	9 813
Administration	21 127	367
Intercompany trade and consolidation journals	(16 312)	273
Total assets and liabilities	36 002	17 588

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Figures in £ '000	Group 2022	Group 2021	Company 2022	Company 2021
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29. Related parties

Other related parties

Entity name	2022 Holding		2021 Holding	
Gold Mineral Resources Limited	100%	Direct	100%	Direct
Goldplat Recovery (Pty) Ltd	91%	Direct	74%	Direct
Goldplat Ghana Limited	100%	Indirect	100%	Indirect
Anumso Gold Limited	100%	Indirect	100%	Indirect
Nyieme Gold SARL	100%	Indirect	100%	Indirect
Midas Gold SARL	100%	Indirect	100%	Indirect
Gold Recovery Brasil Recuperacao	100%	Direct	0%	
Gold Recovery Peru SAC	100%	Indirect	0%	
GRG Tolling Ltd	100%	Indirect	100%	Indirect

Major inter-company transactions

	Nature of transaction	2022	2021
Goldplat Recovery to Gold Recovery Ghana	Goods, equipment and services supplied	334	332
Goldplat Recovery to Gold Mineral Resources	Goods, equipment and services supplied	489	136
Goldplat Recovery to Gold Mineral Resources	Interest received	(120)	(125)
Goldplat Recovery to NMT Capital	Management fees	1	4
Goldplat Recovery to NMT Group	Managements fees	1	9
Goldplat Plc to Gold Mineral Resources	Management fees	-	413
Goldplat Recovery to Aurelian Capital	Trade and other payables	138	0
Goldplat Recovery to Aurelian Capital	Dividends Receivable - Aurelian	275	0
Goldplat Recovery to Aurelian Capital	Management fees	15	0
Goldplat Plc	Directors	149	98

Related Party Transactions with Mr Sango Ntsaluba

In the current period, 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. 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.

After the completion of above transactions and cancellation of the repurchased shares, the Group held 90.63% of GPL (an increase of 16.63%), Amabubesi held 4.47% and Aurelian 4.90%. Subsequent to above, Amabubesi's remaining shares were repurchased and shares to the same amount and value issued to Aurelian. Aurelian is therefore the only minority partner in South Africa and holds 9.37% of GPL.

By virtue of their size and because Mr Ntsaluba is both a director of Goldplat and a major shareholder of Amabubesi and Dartingo (the two minority shareholders at that time), both the share repurchases by GPL of 22.33% of shares held by Amabubesi and Dartingo and the subsequent issue by GPL of shares to Aurelian constituted related party transactions under Rule 13 of the AIM Rules for Companies. The independent directors, being the Goldplat board members with the exception of Mr Ntsaluba, consider, having consulted with the Company's Nominated Adviser, Grant Thornton UK LLP, that the terms of the transactions were fair and reasonable insofar as Goldplat's shareholders are concerned.

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30. Subsequent events

There are no events subsequent to 30 June 2022 that will have a material effect on the consolidated financial statements.

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Figures in £ '000	Group 2022	Group 2021	Company 2022	Company 2021
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31. 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 and thus adopted the going concern basis in preparing these financial statements.

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 period 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.

During the period the Department of Water and Sanitation of the Republic of South Africa has authorised the water use by 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 expected to have sufficient capacity to store the tailings we will produce in our current operations for the next seven years.

A reverse stress test indicated that the business, alongside certain mitigating actions, which are in fully in control of the directors, would be capable of withstanding reduction of Group cashflow to negative GBP400,000 and still maintain its commitments over the next 24 month period. This is a position the directors are confident it can maintain during the medium term.

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

Per this GPL is most sensitive to changes in its free cashflow and without assistance from the Group, will need to maintain its free cashflow at a minimum of 40% of forecasted levels to ensure it meets relevant free cashflow to debt covers. This is a position the directors are confident it can maintain during the medium term.

At the statement of financial position date, GPL still had GBP2.4 million outstanding on the facility and required to pay back circa GBP96,000 per month. At the reporting date, the balance outstanding to Nedbank was GBP2m.

The Group also assessed the impact of another Covid-19 pandemic, the war in Ukraine and current high inflationary environment or something similar might have on the business.

We gained significant experience from the Covid-19 pandemic, in terms of the potential operation impact, the regulatory responses in jurisdictions we operate and on our community and staff. The Group operations was classified as an essential service provider during the shut-down caused by Covid-19, which meant that the operations could continue with limited impact on its operations.

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Figures in £ '000	Group 2022	Group 2021	Company 2022	Company 2021
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Going concern continued...

Apart from the indirect impacts of the war in Ukraine had on prices increases and relating high inflation, the Group operations is not impacted directly by the unfortunate events in the Ukraine itself. The price increases has had an impact in the increases in consumables, chemicals, fuel, electricity and other costs and we foresee that this will continue in the medium terms. The factors however has had a limited impact on the sourcing and cost of the material we procure, as well as the market we sell the precious metals into, apart from increases in transport and shipping costs.

In light of current trading and revised forecasts, the Directors have assessed the possible downturn in operating margin and free cashflow and the impact of such potential downturns our ability to operate and the likelihood of such events to incur. The directors believe that combined likelihood of these events to occur or level of its impact to be low. The directors believe there is no material uncertainty in this regard and concluded that it does not impact the basis of preparation of the financial statements.

The going concern period reviewed by the directors was the 24 month period to December 2024 as that is reliably how far the Board can forecast given the sourcing risk involved.

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Figures in £ '000

32. 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

In common with all other businesses, 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 periods 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

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Financial risk management continued...

Financial assets

	Fair value through profit or loss		Amortised cost	
	2022	2021	2022	2021
	GBP'000	GBP'000	GBP'000	GBP'000
Receivable on Kilimapesa sale (Note 8)	-	-	698	664
Other loans and receivables (Note 10)	-	636	197	-
Trade and other receivables excluding non-financial assets (Note 12)	-	-	9 340	12 604
Cash and cash equivalents (Note 13)	-	-	3 895	3 459
Total financial assets	-	636	14 130	16 727

Financial liabilities

	Fair value through profit or loss		Amortised cost	
	2022	2021	2022	2021
	GBP'000	GBP'000	GBP'000	GBP'000
Trade and other payables (Note 20)	-	-	15 033	15 445
Interest bearing borrowings (Note 18)	-	-	978	33
Total financial liabilities	-	-	16 011	15 478

(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:

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Financial risk management continued...

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 2022		30 June 2021	
	Rating	Cash at bank GBP'000	Rating	Cash at bank GBP'000
Nedbank Limited		773		2 259
First National Bank Ghana Limited		2 879		-
Stanbic Bank Ghana Limited		6		1 052
BICIAB		-		-
Barclays Bank Limited		154		115
HSBC UK PLC		15		22
BBVA BANCO CONTINENTAL		3		-
ITAÚ UNIBANCO S.A.		51		-
Cash on hand		14		-
Note 13		3 895		3 448

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

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Figures in £ '000

Financial risk management continued...

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 be limited and hence have not fixed any of the variable rates it is exposed to.

During 2022 and 2021, 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.

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

	Functional currency of individual entity							
	GBP		GHS		ZAR		Total	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	GBP'000	GBP'000	GBP'000	GBP'000	GBP'000	GBP'000	GBP'000	GBP'000
Net foreign currency financial assets/(liabilities)								
USD	887	785	2 426	4 502	3 457	2 909	6 770	8 196
Total net exposure	887	785	2 426	4 502	3 457	2 909	6 770	8 196

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

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Financial risk management continued...

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, all other variables held constant, on the post-tax profit for the year and decrease of net assets as been set-out below

	Functional currency of individual entity							
	GBP		GHS		ZAR		Total	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	GBP'000	GBP'000	GBP'000	GBP'000	GBP'000	GBP'000	GBP'000	GBP'000
20% Strengthening of the USD								
-Post-tax profit Increase	177	157	412	765	520	445	1 110	1 368
- Net Asset Increase	177	157	412	765	520	445	1 110	1 368
20% Weakening of the USD								
-Post-tax profit Increase	(177)	(157)	(412)	(765)	(520)	(445)	(1 110)	(1 368)
- Net Asset Increase	(177)	(157)	(412)	(765)	(520)	(445)	(1 110)	(1 368)

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 2022	30 June 2021
	GBP'000	GBP'000
Financial assets exposed to gold price risk	10 807	10 518
Financial liabilities exposed to gold price risk	(8 298)	(5 466)
Total net exposure	<u>2 509</u>	<u>5 052</u>

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Financial risk management continued...

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 2022	30 June 2021
	GBP'000	GBP'000
20% Strengthening of the Gold price		
- Post-tax profit Increase	370	832
- Post-tax profit Increase	370	832
20% Weakening of the Gold price		
- Post-tax profit Increase	(370)	(832)
- Post-tax profit Increase	(370)	(832)

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.

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Financial risk management continued...

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

At 30 June 2022	Up to 3 Months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 3 years
	GBP'000	GBP'000	GBP'000	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

At 30 June 2021	Up to 3 Months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 3 years
	GBP'000	GBP'000	GBP'000	GBP'000
Trade and other Payables	15 445	-	-	-
Loans and borrowings	33	-	-	-
Lease liabilities	73	220	104	6
Total	15 551	220	104	6

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 entity'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.

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Financial risk management continued...

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 2022 and at 30 June 2021 remains negative and were as follows:

	30 June 2022	30 June 2021
	GBP'000	GBP'000
Loans and borrowings	2 395	33
Lease liabilities	370	403
Less: cash and cash equivalents	(3 895)	(3 459)
Net debt	(1 130)	(3 023)
Total equity	16 862	14 777
Debt to adjusted capital ratio	-7%	-20%

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Figures in £ '000	Group 2022	Group 2021	Company 2022	Company 2021
33. Cash flows from operating activities				
Profit / (loss) for the year	3 963	2 179	4 286	(3 540)
Adjustments for:				
Income tax expense	1 868	903	69	5
Finance income	-	-	-	(107)
Finance Expense	1 884	909	41	8
Depreciation	509	518	-	-
Amortisation of right-of-use asset	76	59	-	-
Increase in value of receivable of kilimapesa sale	7	-	-	-
Provisions	-	85	-	-
Loss on sale of property, plant and equipment	53	11	-	-
Loss on sale of discontinued operation	-	186	-	-
Foreign Translation Movements	101	894	-	-
Share-based payment expense	11	-	-	3 657
Change in operating assets and liabilities:				
Adjustments for increase in inventories	(4 473)	(2 001)	-	-
Adjustments for decrease / (increase) in trade and other receivables	1 191	(7 446)	167	(15)
Adjustments for increase / (decrease) in trade and other payables	1 049	7 980	(27)	(81)
Adjustments for increase in provisions	232	-	-	-
Net cash flows from operations	6 471	4 277	4 536	(73)

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

	2022 GBP'000	2021 GBP'000	2022 GBP'000	2021 GBP'000
Acquisition of Right-of-Use Assets	299	259	-	-
Depreciation on property, plant & equipment	509	518	-	-
Transfers of Right-of-Use Assets to property, plant & equipment	219	9	-	-

Non-cash transactions from financing activities are shown in the reconciliation of liabilities from financing transactions overleaf.

34. 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.