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COMPANY REGISTRATION NUMBER: 06418951

ORTAC RESOURCES (UK) LIMITED
(Formerly Ortac Resources plc)
Financial Statements
31 March 2013

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ORTAC RESOURCES (UK) LIMITED (Formerly Ortac Resources plc)

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ORTAC RESOURCES (UK) LIMITED (Formerly Ortac Resources plc)

CORPORATE INFORMATION

Company registration number	06418951
Directors	Anthony Balme Vassilios Carellas Charles Wood David Paxton Paul Heber
Company Secretary	Hugo Green
Registered Office	3rd Floor 96-97 Jermyn Street St James's London SW1Y 6JE
Auditor	PKF Littlejohn LLP 1 Westferry Circus Canary Wharf London E14 4HD
Solicitor	Kerman & Co LLP 200 The Strand London WC2R 1DJ
Principal Bankers	Bank of Scotland 38 Threadneedle Street London EC2P 2EH

ORTAC RESOURCES (UK) LIMITED (Formerly Ortac Resources plc)

DIRECTORS' REPORT

The Directors are pleased to present their report together with the financial statements for the year ended 31 March 2013

Change of Name

On 26 February 2013 the Company reregistered as a private limited company and changed its name from Ortac Resources plc to Ortac Resource (UK) Limited

Principal Activities

The principal activity of the Ortac Resources (UK) Limited ("the Company") was the management and supervision of the activities of its subsidiaries in Slovakia in developing the Šturec resource in Kremnica and elsewhere exploring for base and precious metals in Slovakia.

Business Review and future developments

The Company's principal focus in the near term will be to continue to progress the Šturec resource in Kremnica through Bankable Feasibility stage and permitting

Results and Dividends

Loss on ordinary activities after taxation amounted to £542,225 (2012 loss of £1,814,562). The Directors do not recommend payment of a dividend

Key Performance Indicators ("KPIs")

The Company is an intermediate holding company of the Ortac group. Given that KPIs are determined and monitored for the Group as a whole at a parent company level, the Directors are of the opinion that KPIs are not required

Financial Instruments and Risk Management

See Note 14 below

Post Balance Sheet events

These financial statements were approved on 1 August 2013, as at this date the Directors were not aware of any significant post balance sheet events other than those set out in the notes to the financial statements

Directors

The names of the Directors who served during the year are set out below

Director	Date of Appointment
Anthony Balme	
Vassilios Carellas	
Charles Wood	
David Paxton	
Paul Heber	26 July 2012

Directors' Remuneration

Details of the Directors' remuneration are given in Note 6 to the Financial Statements

ORTAC RESOURCES (UK) LIMITED (Formerly Ortac Resources plc)

Directors' Report (continued)

Directors' Interests

The serving Directors had no shares, warrants or interests in the Company during the periods covered by this report. Details of the Directors' interests in the shares of Ortac Resources Limited, the Company's parent, are disclosed in the Financial Statements of that company.

Political Contributions and Charitable Donations

The Company did not make any political contributions or charitable donations.

Statement of Disclosure of Information to Auditors

As at the date of this report the serving Directors confirm that:

- So far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- The Directors have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

PKF Littlejohn LLP has signified its willingness to continue in office as auditor.

Going Concern

Notwithstanding the loss incurred during the periods under review, and the decision taken to impair receivables from certain of its Slovak subsidiaries in the previous year, the Directors are of the opinion that given the ongoing evaluations of the Company's interests in Slovakia and the cash resources that are available to it by way of support from Ortac Resources Limited, the preparation of the Company's accounts on a going concern basis is appropriate.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and applicable law.

International Accounting Standard 1 requires that financial statements present fairly for each financial period the Company's financial position, financial performance and cash flows. This requires faithful representation of the effect of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out on the International Accounting Standards Board's 'Framework for the Preparation and Presentation of Financial Statements'. In virtually all situations, a fair presentation will be achieved by complying with all applicable IFRSs. In preparing these financial statements, the Directors are also required to

- select suitable accounting policies and then apply them consistently,

ORTAC RESOURCES (UK) LIMITED (Formerly Ortac Resources plc)

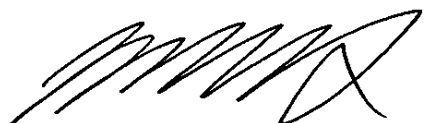
Directors' Report (continued)

- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company' and its subsidiaries will continue in business

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company's subsidiaries and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



Charles Wood

Director

1 August 2013

INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF ORTAC RESOURCES PLC

We have audited the Financial Statements of Ortac Resources (UK) Limited for the year ended 31 March 2013 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Cash Flow Statement, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL ACCOUNTS

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the Directors Report to identify material inconsistencies with the audited Financial Statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the Financial Statements.

- give a true and fair view of the state of the Company's affairs as at 31 March 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

ORTAC RESOURCES (UK) LIMITED (Formerly Ortac Resources plc)

Independent Auditors Report to the Shareholders of Ortac Resources Plc (continued)

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report



Alistair Roberts (Senior statutory auditor)
For and on behalf of PKF Littlejohn LLP
Statutory auditor

1 Westferry Circus
Canary Wharf
London E14 4HD

2 August 2013

ORTAC RESOURCES (UK) LIMITED (Formerly Ortac Resources plc)

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 March 2013

	Note	Year to 31 March 2013	Year to 31 March 2012
		£	£
Revenue		-	-
Other operating income		32,081	16,275
Administrative expenses	2	(574,306)	(569,228)
Operating loss		(542,225)	(552,953)
Loss on disposal of subsidiary undertaking	8	-	(298,509)
Impairment of receivables from subsidiaries	9	-	(963,100)
Loss before and after taxation		(542,225)	(1,814,562)
Loss for the financial period		(542,225)	(1,814,562)
Total comprehensive income for the period		(542,225)	(1,814,562)

The notes on pages 12 to 24 form part of these financial statements.

ORTAC RESOURCES (UK) LIMITED (Formerly Ortac Resources plc)

STATEMENT OF FINANCIAL POSITION

AS AT 31 March 2013

COMPANY REGISTRATION NO:
06418951

	Notes	31 March 2013 £	31 March 2012 £
ASSETS			
Non-current assets			
Investment in subsidiaries	9	1,402,400	1,402,400
Property, plant and equipment	8	37,156	58,616
Trade and other receivables	10,20	12,444,197	10,969,642
Total non-current assets		13,883,753	12,430,658
Current assets			
Trade and other receivables	10	71,642	50,233
Cash and cash equivalents		13,482	5,289
Total Current Assets		85,124	55,522
TOTAL ASSETS		13,968,877	12,486,180
EQUITY			
Share capital	12	560,993	560,993
Share premium		1,311,861	1,311,861
Retained earnings		(3,118,737)	(2,576,512)
TOTAL EQUITY		(1,245,883)	(703,658)
LIABILITIES			
Current Liabilities			
Tax payables	11	8,036	6,513
Trade and other payables	11	15,206,724	13,183,326
TOTAL LIABILITIES		15,214,760	13,189,839
TOTAL EQUITY AND LIABILITIES		13,968,877	12,486,180

The notes on pages 12 to 24 form part of these financial statements

These financial statements were approved by the Board of Directors and authorised for issue on 1 August 2013 and signed on its behalf by


Vassilios Carellas

Director


Charles Wood

Director

ORTAC RESOURCES (UK) LIMITED (Formerly Ortac Resources plc)

CASH FLOW STATEMENT

FOR THE PERIOD ENDING 31 March 2013

		Year to 31 March 2013	Year to 31 March 2012
	Notes	£	£
Cash flows from operating activities			
Operating loss		(542,225)	(552,953)
Increase in trade and other receivables	9	(21,409)	(14,464)
Increase/(decrease) in trade and other payables	10	121,461	(63,287)
Increase in tax payables	10	1,523	3,542
Depreciation	7	24,017	15,547
Share options expensed		-	-
Net cash outflow from operating activities		(416,633)	(611,616)
Cash flows from investing activities			
Divestment of subsidiary	8	-	277,386
Payments to acquire intangible assets		-	-
Payments to acquire tangible assets	7	(2,557)	(58,973)
Increase in Loans from parent and group companies	10,16	1,901,937	2,246,430
Impairment of Loans to subsidiaries	9	-	963,101
(Increase) in loans to subsidiaries	10,16	(1,474,555)	(2,816,987)
Net cash inflow from investing activities		424,825	610,957
Net increase/(decrease) in cash and cash equivalents		8,192	(659)
Cash and cash equivalents at beginning of period		5,289	5,948
Foreign exchange differences		-	-
Cash and cash equivalents at end of period		13,482	5,289

ORTAC RESOURCES (UK) LIMITED (Formerly Ortac Resources plc)

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 March 2013

	£	Called up share capital	Share premium reserve	Foreign exchange reserve	Share based payment reserve	Retained earnings	Total equity
As at 31 March 2011	560,993	1,311,861	-	-	-	(761,950)	1,110,904
Loss for the year	-	-	-	-	-	(1,814,562)	(1,814,562)
Total comprehensive income	-	-	-	-	-	(1,814,562)	(1,814,562)
Share capital issued	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-
As at 31 March 2012	560,993	1,311,861	-	-	-	(2,576,512)	(703,658)
Loss for the year	-	-	-	-	-	(542,225)	(542,225)
Total comprehensive income	-	-	-	-	-	(542,225)	(542,225)
As at 31 March 2013	560,993	1,311,861	-	-	-	(3,118,737)	(1,245,883)

Share capital: represents the nominal value of the equity shares in issue.

Share premium reserve: When shares are issued, any premium paid above the nominal value is credited to the share premium reserve.

Retained earnings reserve: records the accumulated profits and losses of the Group since inception of the business and adjustments relating to options and warrants

ORTAC RESOURCES (UK) LIMITED (Formerly Ortac Resources plc)

NOTES TO THE FINANCIAL STATEMENTS- (continued)

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

a. General information and authorisation of financial statements

Ortac Resources (UK) Limited is a limited company incorporated and domiciled in England & Wales with registered number 06418951. The Company's financial statements for the year ended 31 March 2013 were authorised for issue by the Board on 1 August 2013 and the Statement of Financial Position on the Board's behalf by Mr Vassilios Carellas and Mr Charles Wood.

b. Statement of compliance with IFRS

The financial statements have been prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006. The principal accounting policies adopted by the Company are set out below.

c. Changes in accounting policy and disclosures

The following new standards and amendments to standards are mandatory for the first time for the company for the financial period 1 April 2013. Except as noted, the implementation of these standards did not have a material effect on the company:

Standard	Impact on initial application	Effective date
IAS 12 (Amendment)	Deferred tax recovery of underlying assets	1 January 2012 ¹

Standards, amendments and interpretations that are not yet effective and have not been early adopted:

Standard		Effective date
IFRS 10	Consolidated financial statements	1 January 2013 ^{*1}
IFRS 11	Joint arrangements	1 January 2013 ^{*1}
IFRS 12	Disclosure of interest in other entities	1 January 2013 ^{*1}
IFRS 13	Fair value measurement	1 January 2013
IAS 19 (Amendment 2011)	Employee benefits	1 January 2013 ^{*2}
IAS 27 (Amendment 2011)	Separate financial statements	1 January 2013 ^{*1}
IAS 28 (Amendment 2011)	Investments in associates and joint ventures	1 January 2013 ^{*1}
	Disclosures – offsetting financial assets and financial liabilities	
IFRS 7 (Amendment 2011)		1 January 2013
IAS 32 (Amendment 2011)	Offsetting financial assets and financial liabilities	1 January 2014
IFRS 9	Financial instruments	1 January 2015 ^{*2}

1 Effective date 1 January 2014 for the EU

2 Not yet endorsed by the EU

The company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the consolidated financial statements.

c. Basis of preparation

The financial statements have been prepared on the historical cost basis, except for the measurement to fair value of assets and financial instruments as described in the accounting policies below, and on a going concern basis.

The financial information is presented in pounds sterling and all values are rounded to the nearest pound (£) unless otherwise stated.

ORTAC RESOURCES (UK) LIMITED (Formerly Ortac Resources plc)

NOTES TO THE FINANCIAL STATEMENTS- (continued)

d. No consolidated accounts

The Company has taken advantage of the exemption available under S401 of the Companies Act 2006 not to present consolidated financial statements in respect of Ortac Resources (UK) Limited and its subsidiaries, as Ortac Resources Limited has prepared consolidated financial statements which include the those of the Company and its subsidiaries

e. Significant accounting judgments, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are

- Impairment of investment in and loans to subsidiaries

Management tests annually whether the investment in and loans to subsidiaries have a recoverable value greater than carrying value. Where there are indications that a subsidiary may be impaired, the Company is required to estimate the Company's recoverable amount.

The impairment review in the current year has shown the following

Exploration projects carried out by the subsidiaries are at an early stage of development and can be split into two categories

1. Those Projects for which a JORC compliant resource estimate is available. A reclassification of resource estimates undertaken in 2012 by Snowden led to the announcement of maiden JORC Ore Reserves for the Šturec Deposit with 13 97Mt of ore at a grade of 1 70g/t Au and 14.22g/t Ag (1 90g/t Au Equivalent) classified in the Proven and Probable categories, giving an open pit Ore Reserve of 873,000oz of gold equivalent (28 tonnes). Subsequently, an SRK Consulting Pre-Feasibility Study of the Šturec Project announced on 8 April 2013 further confirmed the economic feasibility of the Šturec project which based upon a metals price of (at US\$1,343/oz Au Eq net price) and a discount rate of 8% gave an NPV of US\$195 million (post tax US\$145 million) and Internal Rate of Return ('IRR') of 30%. Gold prices at present are at close to this price.
2. For other projects, no JORC or non-JORC compliant resource estimates are available to enable value in use calculations to be prepared. During the year ended 31 March 2012, it was concluded that impairment provisions should be made in respect of loans to subsidiaries, and a charge in the amount of £963,101 was raised in respect of loans to St Stephan s r o and to Bellmin s r o, -see Note 10 below-with no material advances to these subsidiaries during the present reporting period, it was concluded that no further provisions were required.

Subject to the above, the Directors are of the opinion that no further impairment provisions are required, but if this proves to be incorrect and the subsidiaries do not have any value the investment and loans will be written off.

f. Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

ORTAC RESOURCES (UK) LIMITED (Formerly Ortac Resources plc)

NOTES TO THE FINANCIAL STATEMENTS- (continued)

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above

g. Trade and other receivables

Trade receivables, which generally have 15-day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts

An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified

h. Investments

Investments in subsidiary undertakings are stated at cost less any provision for impairment in value

i. Financial instruments

The Company's financial instruments, other than its investments, comprise cash and items arising directly from its operation such as trade debtors and trade creditors

The Company's financial instruments are classified as loans and receivables. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, and comprise trade and other receivables and cash and cash equivalents (see separate accounting policies for these items)

There is no material difference between the book value and fair value of the Company's financial instruments

j. Deferred taxation

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding bases used in the tax computations, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case it is also dealt with in equity.

k. Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses

Depreciation is provided on all tangible assets to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight-line basis at the following annual rates

ORTAC RESOURCES (UK) LIMITED (Formerly Ortac Resources plc)

NOTES TO THE FINANCIAL STATEMENTS- (continued)

- Office Leasehold Premises- 20% or equally over the period of the lease, whichever is the lesser,
- Plant and Equipment – between 5% and 25%

All assets are subject to annual impairment reviews

l. Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. This is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, and the asset's value in use cannot be estimated to be close to its fair value. In such cases, the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, it is considered impaired and is written down to its recoverable amount.

In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

m. Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

n. Operating leases

Leases of assets under which a significant amount of the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments are charged to profit and loss on a straight-line basis over the period of the respective leases.

ORTAC RESOURCES (UK) LIMITED (Formerly Ortac Resources plc)

NOTES TO THE FINANCIAL STATEMENTS- (continued)

o. Contingent consideration

Contingent consideration is charged to the profit and loss in the period in which it is recognised as payable.

2. Expenses by Nature

	2013	2012
	£	£
Operating Loss is arrived at after charging		
Directors' emoluments – salary and fees	119,030	115,917
Wages and Salaries	142,557	77,103
Establishment expenses	104,511	121,547
(Gain)/loss on foreign exchange	(29,490)	113,201
Travel and subsistence expenses	95,470	60,572
Professional Fee's-Legal and Consulting	72,987	58,634
AIM related costs including Public Relations	20,414	-
Auditors remuneration - audit	21,635	-
Depreciation and amortisation	24,017	15,547
Other expenses	3,175	6,707
Total operating expenses	574,306	569,228

Auditors remuneration for the year ended 31 March 2013 was borne by the parent company. The Directors estimate that the audit fee for the Company to be £8,000

3. Employee Information

	2013	2012
	£	£
Wages and salaries	127,538	68,487
Directors' remuneration	108,333	105,012
Share-based payment transactions	-	-
Social security costs	25,715	19,520
	261,586	193,019

The average number of employees during the period was made up as follows:

	2013	2012
	No	No
Operations	1	1
Administration	1	-
Management staff	1	1
	3	2

ORTAC RESOURCES (UK) LIMITED (Formerly Ortac Resources plc)

NOTES TO THE FINANCIAL STATEMENTS- (continued)

4. Taxation

The taxation charge on the Company's loss before taxation differs from the theoretical amount that would arise using the tax rate applicable to the loss of the Company as follows.

	2013 £	2012 £
Tax on ordinary activities	0	
Loss on ordinary activities before tax	(542,225)	(1,815,000)
Loss on ordinary activities multiplied by the standard rate of corporation tax of 24%	(130,134)	(471,900)
Effects of		
Permanent differences	2,225	(84,000)
Fixed asset timing differences	4,772	(10,000)
Unutilised losses	123,138	(397,900)
Current tax charge	0	0

No taxation has been provided due to losses in the year

There are tax losses in the company of £1.85m which are carried forward for relief in future periods. The deferred tax asset of £420k has not been provided in respect of these losses as there is presently insufficient evidence of the timing of suitable future profits against which they can be recovered.

Factors that may affect future tax charges

The UK government legislated during 2012 to reduce the main rate of corporation tax to 23%, applicable from 1 April 2013, which has been reflected in the above unrecognised tax asset. Furthermore, the Government announced in March 2013 as part of the Budget a further reduction of 2% to 21% to apply from 1 April 2014, with an additional reduction of 1% to 20% with effect from 1 April 2015. These reductions have not been taken account in the disclosed deferred tax asset as they were not substantively enacted at the balance sheet date.

No deferred tax asset has been recognized, because there is presently insufficient evidence of the timing of utilisable future profits against which they can be recovered.

5. Dividends

No dividends were paid or are proposed

6. Directors Remuneration

	2013 £	2012 £
Salary and fees (including benefits in kind)	110,437	105,012
	110,437	105,012
	2013 £	2012 £
Salary and fees (including benefits in kind)	110,437	105,012
	110,437	105,012

ORTAC RESOURCES (UK) LIMITED (Formerly Ortac Resources plc)

NOTES TO THE FINANCIAL STATEMENTS- (continued)

7. Property, Plant and Equipment

	£
Cost	
Opening Cost at 1 April 2011	22,784
Additions	58,973
Closing cost at 31 March 2012	81,757
Opening cost at 1 April 2012	81,757
Additions	2,557
Closing cost at 31 March 2013	84,314
Depreciation	
Balance at 1 April 2011	7,594
Charge for the period	15,547
Closing balance at 31 March 2012	23,141
Balance at 1 April 2012	23,141
Charge for the period	24,017
Closing balance at 31 March 2013	47,158
Net book value	
As at 1 April 2011	15,190
As at 31 March 2012	58,616
As at 31 March 2013	37,156

Depreciation has been charged to "administrative expenses"

8. Investment in Subsidiaries

Shares in Subsidiary undertakings	
Cost	£
As at 1 April 2011	1,978,295
Disposal of subsidiary undertaking	(575,895)
As at 31 March 2012	1,402,400
As at 1 April 2012/31 March 2013	1,402,400

Investments in group undertakings are recorded at cost, which is the fair value of the consideration paid

At 31 March 2013, the Company held more than 20% of the share capital of the following subsidiary companies

ORTAC RESOURCES (UK) LIMITED (Formerly Ortac Resources plc)

NOTES TO THE FINANCIAL STATEMENTS- (continued)

At 31 March 2013, the Company held more than 20% of the share capital of the following subsidiary companies:

Company	Country of Registration	Proportion held	Nature of business
Bellmin s r o	Slovak Republic	100%	Mineral Exploration
G B E s r o	Slovak Republic	100%	Mineral Exploration
St Stephans Gold s r o	Slovak Republic	100%	Mineral Exploration
Kremnica Gold s r o	Slovak Republic	100%	Mineral Exploration
Ortac s r o (formerly Kremnica Gold Mining s r o)	Slovak Republic	100%	Mineral Exploration

9. Trade and Other Receivables

	2013 £	2012 £
Current trade and other receivables		
Other receivables	12,538	1,256
Tax receivables	8,705	6,833
Prepayments	50,399	42,145
Total	71,642	50,233
	2013 £	2012 £
Non current trade and other receivables		
Loans due from subsidiaries	12,444,197	10,969,642
Total	12,444,197	10,969,642

Current trade and other receivables are all due within one year. The Directors have recognised an impairment provision in respect of amounts owed by St Stephan s r o and Bellmin s r o in the amount of £nil (2012 £963,101). The fair value of all remaining receivables is the same as their carrying values stated above.

Loans due from subsidiaries are interest free and have no fixed repayment date.

The carrying amounts of the Company's trade and other receivables are denominated in the following currencies:

	2013 £	2012 £
UK Pounds	71,642	50,233
Euros	12,444,197	10,969,642
Total	12,515,839	11,019,875

Other receivables do not contain any impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Company does not hold any collateral as security.

10. Trade and Other Payables

2013 2012

ORTAC RESOURCES (UK) LIMITED (Formerly Ortac Resources plc)

NOTES TO THE FINANCIAL STATEMENTS- (continued)

	£	£
Current trade and other payables		
Amounts due to Group Companies	6,013,440	4,111,503
Trade payables	75,009	8,015
Other payables	8,987,230	8,988,030
Accruals	131,045	75,776
Total	15,206,724	13,183,324
	2013	2012
	£	£
Tax payables	8,036	6,513

Other payables includes amounts payable to the Company's parent, arising as a consequence of the acquisition of Kremnica Gold s r o and Kremnica Gold Mining s r o and which liability is now owed by the Company to its parent Ortac Resources Limited, but is eliminated in the preparation of consolidated accounts of the Ortac Resource Group

The carrying values are considered a reasonable approximation of the fair value and are considered by the Directors as payable within one year

11. Share Capital

	2013		2012	
	No	£	No	£
Authorised share capital				
Ordinary shares of £0.05 each	40,000,000	2,000,000	40,000,000	2,000,000
Redeemable preference shares of £1 each	51,000	51,000	51,000	51,000
		2,051,000		2,051,000
		2013		2012
	No	£	No	£
Issued share capital				
Ordinary shares of £0.05 each				
At 1 April/31 March	11,219,862	560,993	11,219,862	560,993

12. Share Based Payments

Since the reverse take over by Ortac Resources (UK) Limited of Templar Minerals Limited, now Ortac Resources Ltd, there have been no share based payments, as all such matters are dealt with at the parent company level

13. Financial and Capital Risk Management

Financial risk management

The main financial risks that the Company's activity exposes it to are liquidity and fluctuations on foreign currency. The Company's overall risk management programme

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NOTES TO THE FINANCIAL STATEMENTS- (continued)

focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance

Risk management is carried out by the Board of Directors under policies approved at the quarterly Board meetings. The Board frequently discusses principles for overall risk management including policies for specific areas such as foreign exchange

Liquidity risk

The Company has given responsibility of liquidity risk management to the board who have formulated liquidity management tools to service this requirement.

Management of liquidity risk is achieved by monitoring budgets and forecasts and actual cash flows

Liquidity risk is managed at a Group level as the Company's parent holds the cash to fund exploration activities

Credit risk

Credit risk arises from cash and cash equivalents

The Company considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk. The Company will only keep its holdings of cash and cash equivalents with institutions which have a minimum credit rating of 'A'

The Company considers that it is not exposed to major concentrations of credit risk.

Market risk

The Company's main exposure to market risk is through foreign currency exchange rates and interest rates

Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro and UK pound sterling.

Foreign exchange risk arises from recognised monetary assets and liabilities. The exposure to this risk is not considered material to the Company's operations and thus the Directors consider that, for the time being, no hedging or other arrangements are necessary to mitigate this risk

Increase/decrease in foreign exchange rate	Effect on loss before tax for the year ended £	Effect on equity before tax for the year ended £
2013 Euros		
+5%	19,802	19,162
-5%	(19,802)	(19,162)
2012 Euros		
+5%	19,802	19,162
-5%	(19,802)	(19,162)

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NOTES TO THE FINANCIAL STATEMENTS- (continued)

Interest rate risk

As the Company currently has no borrowings, nor does it hold significant cash deposits, it is not exposed to interest rate risk on financial assets or liabilities. As a result fluctuations in interest rates are not expected to have a significant impact on profit or loss or equity.

The table below details the sensitivity to possible change in the currency exchange rate, presuming all other variables remaining constant, of the Company's loss before tax.

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to enable the Company and its subsidiaries to continue its exploration and evaluation activities. The Company is dependent on its parent for financing and as such capital risk management is monitored on a Group basis, ensuring the level of cash resources within the Group are in line with future planned exploration and evaluation activities and the Parent company may issue new shares in order to raise further funds from time to time.

14. Commitments

Other commitments

The Company's subsidiaries are required to incur exploration expenditure in order to maintain title to their mineral exploration permits. Funds to meet such payments are borrowed by the Company from Ortac Resource Limited, and in turn are then lent to the Company's subsidiaries.

No provision has been made in the financial statements for future such transactions, as they are expected to be fulfilled in the normal course of the operations, as and when they arise.

Operating leases

	2013	2012
	£	£
Minimum lease payments under non-cancellable operating leases		
Not later than one year	35,800	35,800
Later than one year but not later than five years	13,437	50,716
Total lease commitment	49,237	86,516

As at 31 March 2013, the Company had entered into only one material commitments, as follows:

On the 16th August 2011 the Company entered into a 5 year lease agreement to rent space located at 96-97 Jermyn Street, at a rent payable of 38,500 per year, payable in 4 equal installments on a quarterly basis, with a break period after 3 years, subject to delivery of six months notice to the Landlord. No provision has been made in the accounts for such a commitment as they are expected to be met in the course of normal operations as and when they arise.

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NOTES TO THE FINANCIAL STATEMENTS- (continued)

15. Contingent Liability

As part of its acquisition of Kremnica Gold s r o and Kremnica Gold Mining s.r.o (now Ortac s r o) Ortac Resources plc agreed to pay

- a) Vendor Royalties of up to US\$3,750,000 in either shares or cash- being \$15 per ounce on the first 250,000 ounces of gold equivalent (gold plus silver) resource defined as proven and probable reserve in the bankable feasible study Said royalty will become payable within 60 days of all required permits being obtained to allow commercial production at the Kremnica property And
- b) A 2 per cent Net Smelter Royalty ("NSR") on gold and silver production from the Kremnica Gold Project to a limit of the first 1,000,000 ounces produced, reduced to a 1 per cent NSR on the next 1,000,000 ounces and zero per cent thereafter. At any time prior to the reduction of the NSR percentage to 1 per cent, Ortac may acquire half of the 2 per cent NSR for US\$1,000,000 After the reduction of the NSR to 1 per cent, the Purchaser may acquire all of the Vendor NSR for US\$1,000,000

One the basis of the updated 2012 Snowdens resource study, the Directors are confident that proven and probable reserves in the bankable feasible study will significantly exceed 250,000 ounces of gold equivalent (gold plus silver) resource Notwithstanding this, until such time as it is clear that all the required permits to achieve commercial production will be secured, no provision for such amounts can be determined

The maximum contingent liability as at 31 March 2013 is £2,441,000 (2012: £2,346,000) in each case being the pounds sterling equivalent of US\$3,750,000 at rates of exchange prevailing at the respective year ends.

Contingent consideration has a carrying value of £nil as at 31 March 2013 (2012: £nil)

16. Related Party Transactions

Key management compensations

Director's fees included in the expenses of the Company include £23,333 (2012: £18,000) fees payable to A D N. Balme which are charged by Carter Capital Limited

A D N Balme is materially interested in Carter Capital Limited as a director and shareholder

During the period, Carter Capital Limited recharged the Company for sundry travel expenses paid on behalf of the Company

Intra-Group transactions

Transactions between Ortac Resources (UK) Limited and its parent/subsidiaries may be summarised as follows:

Received from Parent		Paid to Subsidiaries (Movement after Exchange Differences)	
2013	2012	2013	2012
£	£	£	£
1,901,937	2,246,430	1,474,555	890,786
Liability to Parent		Receivable from Subsidiaries (Movement after Exchange Differences and Impairment)	
2012	2011	2012	2011

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NOTES TO THE FINANCIAL STATEMENTS- (continued)

£	£	£	£
14,999,870	13,099,533	12,444,197	10,969,642

17. Post Balance Sheet Events

There are no post balance sheet events to disclose

18. Parent Company

The Company's parent is Ortac Resources Limited, a company incorporated in the British Virgin Islands, whose shares are traded on the Alternative Investment Market of the London Stock Exchange with the symbol OTC

No person or entity controls Ortac Resources Limited, as such there is no ultimate controlling party.