Company Registration No. 06949664 (England and Wales)

Sanctuary Partners Limited

Annual Report and Financial Statements

For the year ended 30 September 2022

Contents

Directors and Advisers
for the year ended 30 September 2022

Directors	John Craig Damian Brousse Alexander Williams Peter Watkins * Allan Kerr * Jonathan Spence *	Chief Executive Officer Chairman
	**Non-executive*	
Secretary	Adam Greenwood	
Company number	06949664 (Registered in England and Wales)	
Registered office & Business address	4 The Sanctuary Westminster London, SW1P 3JS	
Auditor	Citroen Wells Chartered Accountants Devonshire House 1 Devonshire Street London, W1W 5DR	
Principal Bankers	HSBC Holdings PLC 8 Canada Square Canary Wharf London, E14 5HQ	
	Brown Brothers Harriman & Co 140 Broadway New York NY, 10005	
	Coöperative Rabobank U.A. Croeselaan 18 NL-3521 CB Utrecht The Netherlands	

The Directors present their strategic report for the year ended 30 September 2022.

Principal activities, business review and future developments

Sanctuary Partners Limited operates as the parent Company of Wogen Group Limited and its subsidiaries, acting in a supervisory capacity and providing Directors, and other services, as required.

The trading activities of the subsidiaries during the year comprised dealing internationally in metals and minerals; including the provision of sales, marketing, distribution and management services.

Established in 1972, this year represented the Group's 50th year of trading. The Directors are very pleased to report a profit after tax of $16,188,000 (2021: $12,690,000), one of the strongest performances in the Group's history, due not only to the exceptional activity and price increases in the specialty metals traded by the Company, but also to the traders and the support team within Wogen. Overall, the Directors are satisfied with the market position of the Group at the year end and are confident that it is well placed as it moves forward into the new financial year.

Financial instruments

Details of the Group's principal financial instruments and the main risks arising from the Group's financial instruments are given on pages 34 to 38 of the financial statements in note 20.

Principal risks

Other risks that the Group are exposed to include:

i) Exposure to Economic Conditions – The trading activities of the Group are spread across a broad range of industries, which are heavily dependent on general economic conditions and cycles. Changing economic conditions and cycles may have an adverse effect on the demand for, and supply of, relevant metals which may affect the level of activity and earnings of the Group's business.
ii) Dependence on External Funding – To maintain or increase its current business the Group is dependent on short term debt funding. The withdrawal or material increase in the cost of such funding or facilities could have an adverse effect on the Group. The Group has an uncommitted credit facility as described in note 16.
iii) Dependence on Retention and Recruitment of Key Personnel – The success of the Group and its business strategy are dependent on its ability to retain and attract key management, trading and other support personnel with the relevant expertise and experience.
iv) Dependence on Relationships with Counterparties – The Group is dependent on its ability to maintain relationships with its counterparties by being able to buy and sell metals and minerals on flexible terms and otherwise to provide value to its counterparties. Similarly, it is this ability and knowledge of market participants that allows the Group to engage in third party sales and distribution activities. Any deterioration or loss of such relationships could have an adverse effect on the Group's ability to engage in its trading and third-party sales and distribution activities.

Key Performance Indicators

The Group's key performance indicators are discussed in the business review and are also considered by the Directors to be as follows:

	2022 $'000	2021 $'000
Revenue	648,017	525,612
Gross profit	43,673	36,859
Profit before tax	20,401	15,940
Net assets	69,243	58,416
Net working capital	70,141	60,566

Results and dividends

The results of the Group for the year ended 30 September 2022 are set out on pages 12 and 13. Further information is disclosed in the business review above.

Ordinary dividends of 26.5c (2021: 28.4c) per share, totalling $4,466,000 (2021: $4,776,000), were paid during the year.

Preference share dividends of $277,000 / £244,000 (2021: $333,000 / £244,000) relating to the year have been accrued as explained in note 17 to the accounts. These have been treated as a finance cost.

Going concern

The Directors have a reasonable expectation that the Group and Company have adequate resources to meet their operational needs for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

Group Board Objectives

During the preparation of these financial statements the Directors have had regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006 when performing their duties under section 172.

The Board's primary objective remains that of commodities trading and the provision of sales, distribution and related services focussing on specific metals and minerals in which staff are encouraged to develop and deploy their knowledge and expertise.

The Group applies a code of conduct as published within its Anti-Bribery and Corruption Policy, which all employees are required to adhere to and encourages a culture of openness and provides for whistleblowing of any malpractice.

The Group's core values that apply to both the Group and to our counterparties are:

a) Conduct business in an ethical and professional manner with utmost integrity.
b) Adhere to, and comply with, applicable jurisdictional laws.
c) Respect and uphold fundamental human rights and the rights and dignities of employees in a respectful and fair environment without discrimination, abuse or harassment.
d) Prohibit child labour and modern slavery in all its forms.
e) Adhere to sound principles for the protection of the environment.
f) Application of a responsible taxation strategy and adherence to taxation and fiscal requirements.

The Group has continued to apply a portion of its profits to the Wogen Anniversary Trust for the support of a wide range of charitable causes.

Stakeholders

Stakeholder	Forms of engagement	Outcomes
Our staff All employees and Directors.	Employees and Directors own the Group. Culture of openness. Policies communicated to all employees including whistleblowing procedures. Open plan offices to foster teamwork.	There have been no whistleblowing events to report.
Our counterparties Producers, processors and consumers.	Customer code of conduct which the Group expects all counterparties to adhere to.	Values published on the Group website and terms and conditions updated to include certain principles within our terms of trade.
Our financiers Banks providing Borrowing Base finance.	Regular reporting and wider banking relationships.	Borrowing Base facility increased by 56% to $125million from $80million during the year.

Carbon reporting and the environment
The Group recognises that in order to be a successful and valued partner to its customers and stakeholders, business must be conducted in a sustainable manner. This means that, in addition to operating a business that delivers good commercial value in fulfilling customer objectives, the Group must be sure that our services are delivered in a way that does not threaten the ability of future generations to enjoy these same amenities.

With this objective in mind, the Environment Policy is published on the Group website, to demonstrate and formalise our commitment to continually improve the environmental performance of our Group itself and the elements of industry the Group supports and facilitates.

The Group recently carried out a substantial refurbishment of its Westminster office which included the removal of the gas boiler, central heating and outdated air conditioning systems, and the installation of a modern variable flow rate heating and cooling system as part of its commitment to reducing emissions. After a prolonged period of staff working from home and from alternative temporary offices, during the year the Westminster office was reoccupied. Due to the refurbishment programme which spanned a number of financial years and the reduced use of the office during the Covid-19 pandemic, comparison between the years reported on may not provide an accurate like for like evaluation of energy usage.

Carbon reporting and the environment (continued)

The Group is required to make disclosures under Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

	Energy use in kWh		Green House gas emissions CO2e (kg)	
	2022	2021	**2022**	2021
Electricity	**58,347**	22,138	**11,283**	5,161
Gas	-	70,719	-	13,051
Transport	-	-	-	-
	58,347	92,857	**11,283**	18,212

The intensity ratio, recorded for the 2022 financial year is calculated as the total annualised energy consumption divided by total square footage, as follows:

Electricity: 12.6 kWh (2021: 4.8 kWh) per square foot per annum
Gas: 0 kWh (2021: 15.2 kWh) per square foot per annum
Transport:

By order of the Board

John Craig
Chief Executive Officer

Date: 12/12/2022

The Directors present their annual report and financial statements of the Company and the Group for the year ended 30 September 2022.

Directors

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

John Craig	*Chief Executive Officer*
Damian Brousse	
Alexander Williams	
Peter Watkins	*(Non-executive, Chairman)*
Allan Kerr	*(Non-executive)*
Jonathan Spence	*(Non-executive)*

Charitable and political donations

The Group made $240,000 (2021: $278,000) in charitable donations during the year. The Group did not make any political donations during the current or prior year.

Directors' indemnification provisions

Under the Company's Articles of Association, subject to the provisions of the Companies Act 2006 (the "Statutes"), but without prejudice to any indemnity to which he may be otherwise entitled, every Director, alternate Director, Secretary or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him in the actual or purported execution and/or discharge of his duties or exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office, provided that Article 149 shall be deemed not to provide for, or entitle any such person to, indemnification to the extent that it would cause Article 149, or any element of it, to be treated as void under the Statutes.

Supplier payment policy

The Group's current policy concerning the payment of trade creditors is to:
- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the Group at the year end were equivalent to 8 day's purchases, based on the average daily amount invoiced by suppliers during the year.

Disclosure of information to auditor

So far as the Directors are aware, there is no relevant audit information of which the Group auditor is unaware. Additionally, the Directors have taken all the steps necessary that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Group auditor is aware of that information.

Auditor

The auditor, Citroen Wells, is deemed to be reappointed under Section 487(2) of the Companies Act 2006.

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 Group financial statements in accordance with UK-adopted international accounting standards. 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 of the profit or loss of the Group for that period. In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- 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 IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Group and Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a Director at the date of approving the report is aware, there is no relevant audit information of which the Group's auditor is unaware. Additionally, the Directors individually have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the Group's auditor is aware of that information.

Other matters

The Group has chosen, in accordance with Companies Act 2006, s. 414C(11) to set out in the Group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 sch. 7 to be contained in the Directors' Report.

By order of the Board.

Adam Greenwood

Adam Greenwood
Company Secretary

Date: 12/12/2022

Opinion

We have audited the financial statements of Sanctuary Partners Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2022 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated 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 UK-adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 30 September 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements 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 are independent of the Group 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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 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.

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 8, 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 considered capable of detecting irregularities, including

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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 or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (IFRS, the Companies Act 2006) and the relevant direct and indirect tax compliance regulations in the United Kingdom, data protection, anti-bribery, anti-money-laundering, employment, health and safety legislation and shipping regulations.
- We understood how the company is complying with those frameworks by making enquiries of management and seeking representations from those charged with governance. We corroborated our understanding by reviewing supporting documentation including board meeting minutes and policy and procedures manuals.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override of internal control and by designating revenue recognition as a fraud risk. We performed journal entry testing by specific risk criteria, with a focus on journals indicating large or unusual transactions based on our understanding of the business. We tested completeness of income through substantive tests performed, analytical review procedures and cut off tests on the revenue recognised.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management and those charged with governance, review of legal and professional expenses and review of board meeting minutes.
- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://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 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.

Citroen Wells

Michael James Berry FCA CTA Date: 12/12/2022

Devonshire House
1 Devonshire Street
London
W1W 5DR

Consolidated Income Statement
for the year ended 30 September 2022

	Note	2022 $'000	2021 $'000
Revenue	2	648,017	525,612
Cost of sales		(604,344)	(488,753)
Gross profit		43,673	36,859
Administrative expenses		(20,927)	(20,019)
Operating profit	5	22,746	16,840
Finance income	6	35	91
Finance expenses	6	(2,380)	(991)
Profit before tax		20,401	15,940
Tax charge for the year	7	(4,213)	(3,250)
Profit for the year after tax		16,188	12,690

The consolidated income statement has been prepared on the basis that all operations are continuing in both the current year and the prior year.

The notes on pages 18 to 40 form part of these financial statements.

Consolidated Statement of Comprehensive Income
for the year ended 30 September 2022

	2022 $'000	2021 $'000
Profit for the year	16,188	12,690
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Exchange differences arising on translation of foreign operations	(1,279)	180
Gain on Group shares sold by the Employee Trusts	21	726
Total comprehensive income for the year attributable to the shareholders of the parent	14,930	13,596

The notes on pages 18 to 40 form part of these financial statements.

Consolidated Statement of Financial Position
for the year ended 30 September 2022

Company Registration Number 06949664	**Note**	**2022 $'000**	**2022 $'000**	**2021 $'000**	**2021 $'000**
Assets					
Non-current assets					
Property, plant and equipment	8	1,960		2,268	
Interest in joint venture	9	15		40	
Available for sale investments	10	89		89	
Total non-current assets			2,064		2,397
Current assets					
Current investments	10	459		552	
Inventories	11	93,885		82,444	
Trade and other receivables	12	27,272		26,958	
Derivative financial assets	20	343		-	
Cash and cash equivalents	22	7,004		7,092	
Total current assets		128,963		117,046	
Current liabilities					
Trade and other payables	13	(24,920)		(31,627)	
Finance lease liability	15	(90)		(91)	
Bank loans and overdrafts	16	(31,756)		(22,387)	
Preference dividend creditor	17	(277)		(333)	
Loan stock due in less than one year	18	(1,150)		(1,150)	
Derivative financial liabilities	20	(120)		(106)	
Corporation tax payable		(509)		(786)	
Total current liabilities		(58,822)		(56,480)	
Net current assets			70,141		60,566
Total assets less current liabilities			72,205		62,963
Non-current liabilities					
Provisions	14	(827)		(767)	
Finance lease liability	15	(899)		(1,141)	
Preference shares	17	(1,236)		(1,489)	
Loan stock due in more than one year	18	-		(1,150)	
Total non-current liabilities			(2,962)		(4,547)
Total net assets			69,243		58,416

Consolidated Statement of Financial Position *(continued)*
for the year ended 30 September 2022

	Note	2022 $'000	2021 $'000
Capital and reserves			
Share capital	19	2,959	2,959
Share premium reserve		12,102	12,102
Capital redemption reserve		948	948
Employees Trust reserve		(1,579)	(1,942)
Foreign exchange reserve		(1,222)	57
Available for sale reserve		89	89
Retained earnings		55,946	44,203
Total equity attributable to shareholders of the Group		69,243	58,416

The financial statements were approved by the Board of Directors and authorised for issue on: 12/12/2022

John Craig – Chief Executive Officer

Damian Brousse - Director

Consolidated Statement of Cash Flows
for the year ended 30 September 2022

	Note	2022 $'000	2022 $'000	2021 $'000	2021 $'000
Cash flows from operating activities					
Profit for the year		16,188		12,690	
Adjustments for:					
Depreciation	8	551		148	
Commodity provision movement		(67)		(185)	
Corporation tax charge		4,213		3,250	
Finance income	6	(35)		(91)	
Finance expense	6	2,380		991	
Joint venture profits		-		(44)	
Provision movement		60		52	
Cash flows from operating activities before changes in working capital and provisions			23,290		16,811
Increase in inventories		(13,501)		(24,312)	
Increase in trade and other receivables		(314)		(16,528)	
(Decrease)/increase in trade and other payables		(6,284)		18,376	
Tax payments		(2,882)		(2,565)	
Movement in financial instruments		329		284	
Changes in working capital and provisions			(22,652)		(24,745)
Net cash from operating activities			638		(7,934)
Investing activities					
Interest received	6	35		91	
Distributions from joint venture		25		70	
Sale/(purchase) of current asset investments		93		(130)	
Purchase of property, plant and equipment		(859)		(959)	
Net cash from investing activities			(706)		(928)
Financing activities					
Interest paid	6	(2,380)		(991)	
Issue of ordinary shares		-		79	
Repayment of loan notes		(1,150)		(1,150)	
Ordinary dividends paid		(4,466)		(4,776)	
Net employee trust share sales		59		900	
Preference dividends paid	17	(333)		(312)	
Net cash used in financing activities			(8,270)		(6,250)
Net increase in cash and cash equivalents			(8,338)		(15,112)
Effect of exchange rate changes on cash			(1,119)		394
Cash and cash equivalents at beginning of year	22		(15,295)		(577)
Cash and cash equivalents at end of year	22		(24,752)		(15,295)

The notes on pages 18 to 40 form part of these financial statements

Sanctuary Partners Limited

Consolidated Statement of Changes in Equity
for the year ended 30 September 2022

	Share Capital $'000	Share premium reserve $'000	Capital redemption reserve $'000	Employee trust reserve $'000	Available for sale reserve $'000	Foreign exchange reserve $'000	Retained earnings $'000	Total Equity $'000
Equity at 30 September 2020	2,944	12,038	948	(2,116)	89	(123)	35,563	49,343
Profit for the year	-	-	-	-	-	-	12,690	12,690
Other comprehensive income	-	-	-	-	-	180	726	906
Total comprehensive income	-	-	-	-	-	180	13,416	13,596
Issue of ordinary shares	15	64	-	-	-	-	-	79
Dividends paid	-	-	-	-	-	-	(4,776)	(4,776)
Movement on Employees' Trust	-	-	-	174	-	-	-	174
Equity at 30 September 2021	2,959	12,102	948	(1,942)	89	57	44,203	58,416
Profit for the year	-	-	-	-	-	-	16,188	16,188
Other comprehensive income	-	-	-	-	-	(1,279)	21	(1,258)
Total comprehensive income	-	-	-	-	-	(1,279)	16,209	14,930
Dividends paid	-	-	-	-	-	-	(4,466)	(4,466)
Movement on Employees' Trust	-	-	-	363	-	-	-	363
Equity at 30 September 2022	2,959	12,102	948	(1,579)	89	(1,222)	55,946	69,243

The notes on pages 18 to 40 form part of these financial statements.

1 Accounting policies

Company information

Sanctuary Partners Limited is a private company limited by shares incorporated in England and Wales. The registered office is 4 The Sanctuary, Westminster, London, SW1P 3JS.

Accounting convention

The principal accounting policies adopted in the preparation of the financial information are set out below. The policies have been consistently applied unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with UK-adopted international accounting standards and the Companies Act 2006 applicable to companies reporting under IFRS. The Group has adopted all of the standards and interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee that are relevant to its operations.

The financial statements are prepared in US Dollars, which is the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest $'000.

Changes in accounting standards

The IFRS financial information has been drawn up on the basis of accounting standards, interpretations and amendments effective at the beginning of the accounting period.

During the year ended 30 September 2022 no new amended, revised and improved Standards were adopted by the Group.

Basis of consolidation

Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements include the results of the Company and its subsidiary undertakings. Inter-company transactions and balances between group companies are therefore eliminated in full.

The Group uses the purchase method of accounting to account for the acquisition of subsidiaries in accordance with IFRS. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated income statement from the date on which control is obtained.

Revenue

The Group revenue comprises invoiced sales, fees and other trading income in respect of the year, net of intra-group transactions and value added tax. Revenue is recognised when performance under sales contracts is substantially complete, which is when significant risks and rewards of ownership of goods are transferred to customers and when the appropriate documentation is presented to the customer. Fees and other trading income are recognised when the performance of the business is complete. Forward trading commitments that are expected to produce a profit are not recognised until the goods are transferred, however loss-making commitments are provided for in full at the balance sheet date.

1 Accounting policies *(continued)*

Leases

The company applies IFRS 16 to all leases as follows:

- A right of use asset and lease liability is recognised on the statement of financial position, initially measured at the present value of future lease payments;
- Depreciation of right-of-use assets and interest on lease liabilities are recognised in the statement of comprehensive income;
- The total amount of cash paid is recognised in the statement of cash flows, split between payments of principal (within financing activities) and interest (also within financing activities).
- Leases are calculated up to the first break clause which can be exercised at the Group's discretion.

The initial measurement of the right of use asset and lease liability takes into account the value of lease incentives such as rent free periods.

The costs of leases of low value items and those with a short term at inception are recognised as incurred.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the Statement of Financial Position differs from its tax base, except for differences arising on:

i) the initial recognition of goodwill;
ii) 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 or taxable profit; and
iii) investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is demonstrated that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the year end date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered). Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same authority on either:

i) the same taxable company within the Group; or
ii) different Group entities which intend to settle current tax assets and liabilities 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 assets or liabilities are expected to be settled or recovered.

Dividends

Dividends payable are recognised as liabilities once they are no longer at the discretion of the Company.

Borrowing costs

The Group does not incur any interest that qualifies for capitalisation under IAS 23 "Borrowing costs". All borrowing costs incurred are charged to the consolidated income statement.

1 Accounting policies *(continued)*

Property, plant and equipment

Property, plant and equipment are stated at historic cost or deemed cost, less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all property, plant and equipment other than works of art, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Leasehold improvements (at cost)	-	Over the term of the lease
Furniture, fittings and office equipment (at cost)	-	Between 7.5% and 33%
Motor vehicles (at cost)	-	Between 20% and 50%
Right of use asset	-	Over the term of the lease

Works of art are held at deemed cost and no depreciation is charged on works of art as the Directors do not consider the residual value to be less than cost.

Business combinations and goodwill

On acquisition the assets and liabilities of subsidiaries are measured at their fair value at the date of acquisition in accordance with IFRS 3.

Any excess of the cost of acquisition over the net fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. Goodwill arising on consolidation is recognised as an asset and annually reviewed for impairment.

Any excess of the acquirer's interest in the net fair value of identifiable assets, liabilities and contingent liabilities acquired over cost is credited to the consolidated income statement in the period of acquisition. Where an excess of acquirer's interest in the net fair value of identifiable assets, liabilities and contingent liabilities acquired over cost exists, it is treated as an exceptional item in the consolidated income statement and is classified as 'negative goodwill'.

Interests in joint ventures

The Group accounts for joint venture investments under the equity method. The Group's share of the profits less losses of joint venture investments net of tax and interest is included in the consolidated income statement and the Group's share of net assets is shown within interests in joint ventures in the consolidated statement of financial position. The Group's share of the profits less losses and net assets is based on current information produced by the undertakings, adjusted to conform with the accounting policies of the Group.

The Group assesses the carrying value of its interest in joint ventures to determine if any impairment has occurred. Where this indicates that an investment may be impaired, the Group applies the requirements of IAS 36 in assessing the carrying amount of the investment. This process includes comparing its recoverable amount with its carrying value.

Foreign currency translation

Transactions entered into by the 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 year end date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the consolidated income statement.

On consolidation, the results of overseas operations are translated into US dollars 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 year end date. Exchange differences arising on translating the opening net assets at the opening rate and the results of overseas operations at actual rate are recognised directly in equity (the "foreign exchange reserve").

1 Accounting policies *(continued)*

Foreign currency translation (continued)

Exchange differences recognised in the income statement of the Group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the overseas operations concerned are reclassified to the foreign exchange reserve on consolidation.

On the disposal 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 income statement as part of the profit or loss on disposal.

Pension costs

Contributions to the Group's personal pension plan are charged to the consolidated income statement in the year in which they become payable.

Employee Trusts

Wogen Group Limited, a subsidiary of the Company, has two separate Employees' Trusts for the benefit of its employees – the Wogen Group Limited 1992 Employees' Trust and the Wogen Group Limited 2010 Employees' Trust. As at 30 September 2022, the Wogen Group Limited 2010 Employees' Trust held shares in the Company.

As Wogen Group Limited has de facto control over the Trusts, the assets and liabilities of the Trusts are included within the accounts of Wogen Group Limited.

A deduction is however made in the consolidated accounts of the Group from shareholders' funds for the cost of the shares held in the Trusts by the Company.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the actual historic cost of purchase and includes attributable direct expenditure. Net realisable value is based on estimated selling price, which may be estimated using forward contracted sales prices where these exist, less additional costs to completion and disposal. Provisions for inventories are made when the book value exceeds net realisable value.

Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated income statement over the vesting period. The fair value of the option calculated is determined by use of the appropriate pricing model. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each year end date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated income statement over the remaining vesting period.

1 Accounting policies *(continued)*

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The Directors accept that the current geopolitical climate could present challenges to the company during the 12 months following the approval of these financial statements, and there remains uncertainty as to how this will affect the results of the Group for the forthcoming financial year. However, the Group's strong balance sheet and financing facilities mean that it is well placed to withstand potential uncertainty ahead and to continue to trade profitably without any undue concerns. This is supported by the fact that the Group has continued to trade profitably since the outbreak of the pandemic.

Critical accounting estimates and judgements

In the preparation of the consolidated financial statements, the Group makes a number of estimates, judgements and assumptions, the key items being:

i) *Inventories*

The Group has recorded inventory at the lower of cost or net realisable value. In arriving at the final net realisable value, the Directors have made best estimates using the latest market information available in metal markets that can be volatile and illiquid, along with the use of forward contracted sales prices as an indication of net realisable value.

ii) *Impairment of non-financial assets*

Non current assets are reviewed annually for impairment in accordance with IFRS. Future events could cause these assets to be impaired, resulting in an adverse effect on the future results of the Group.

Reviews for impairments are carried out under IFRS in the event that circumstances or events indicate the carrying value of non-financial assets may not be recoverable. Such circumstances or events could include: a pattern of losses involving the asset; a decline in the market value for a particular asset; and an adverse change in the business or market in which the asset is involved.

Financial Instruments

Financial instruments in the scope of IFRS 9 are classified into separate categories for which the accounting treatment is different. The Group has classified its financial instruments as follows:

1 Accounting policies *(continued)*

Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group has not classified any of its financial assets as held to maturity.

i) Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 September 2022 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The Group's loans and receivables comprise trade and other receivables in the Statement of Financial Position. Cash and cash equivalents within the financial instruments note include cash in hand and deposits held at call with banks. Bank overdrafts are shown within loans and borrowings in current liabilities in the Statement of Financial Position.

ii) Available for sale

Non-derivative financial assets not included in the above categories are classified as available for sale and comprise principally the Group's strategic investments in entities not qualifying as subsidiaries, associated or jointly controlled entities. They are carried at fair value with changes in fair value recognised directly in a separate component of equity (available for sale reserve). Where there is a significant or prolonged decline in the fair value of an available for sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously charged to equity, is recognised in the consolidated income statement. Purchases and sales of available for sale financial assets are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the available for sale reserve. On sale, the amount held in the available for sale reserve associated with that asset is removed from equity and recognised in the consolidated income statement.

1 Accounting policies *(continued)*

Financial liabilities

The Group classifies its financial liabilities depending on the purpose for which the asset was acquired. The Group's accounting policy is as follows:

ii) Financial liabilities held at amortised cost

Other financial liabilities include the following items:

- Bank borrowings and overdrafts are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position.

- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts, LME futures contracts and cross currency swaps. Further details of derivative financial instruments are disclosed in note 20.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each year end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative presented as a non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Fair value measurement hierarchy

IFRS 7 requires the classification of financial assets and financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurement (see note 20). The fair value hierarchy has the following levels:

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

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

1 Accounting policies *(continued)*

Capital and Reserves

i) Share capital

Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary shares are classified as equity instruments.

The Group and Company have also issued preference shares as explained in note 17. The Group's preference shares meet the definition of a financial liability and therefore have been classified as current and non-current liabilities.

ii) Share premium

Amount subscribed for share capital in excess of nominal value.

iii) Capital redemption reserve

Arising on the purchase of own shares during the year.

iv) Employee Trusts reserve

Weighted average cost of own shares held by the Employee Trusts.

v) Foreign exchange reserve

Gains/losses on retranslating the net assets of overseas operations into US dollars.

vi) Available for sale reserve

Fair value movements on available for sale investments.

vii) Retained earnings

Cumulative net gains and losses recognised in the consolidated income statement.

2 Revenue

An analysis of the Group's revenue is as follows:

	2022 $'000	2021 $'000
Sale of metals and minerals, and gains on metal derivative contracts	648,017	525,612

In the opinion of the Directors it would be seriously prejudicial to the business of the Group to disclose the geographical spread of turnover.

3 Staff Costs

Staff costs, including Directors:	2022 $'000	2021 $'000
Salaries and wages including bonuses	15,172	14,387
Employer's national insurance costs	1,814	1,544
Group personal pension plan contributions	298	240
	17,284	16,171

The average monthly number of employees of the Group during the year, including the Executive Directors and excluding the Non-Executive Directors, was as follows:

	2022 Number	2021 Number
United Kingdom	21	19
Rest of the World	20	20

4 Directors' remuneration

The Directors' remuneration for the Group is set out below.

	2022	2021
	$'000	$'000
Emoluments, excluding Group personal pension plan contributions	5,234	4,221
Group personal pension plan contributions	57	59
	5,291	4,280
	Number	Number
The number of Directors in a pension plan is:	3	3
	$'000	$'000
Highest paid Director details:		
Emoluments, excluding Group personal pension plan contributions	3,955	2,567
Group personal pension plan contributions	12	14
Total emoluments, including Group personal pension plan contributions	3,967	2,581

During the year ended 30 September 2021, 110,000 share options were exercised by a Director. Further information on the share options can be found in note 24 to the accounts. No share option scheme was in place during the current year.

5 Operating profit

	2022	2021
	$'000	$'000
Operating profit has been arrived at after charging:		
Staff costs (note 3)	17,284	16,171
Depreciation of property, plant and equipment	551	148
Auditor's remuneration – Parent Company and consolidated financial statements		
- Audit services	8	9
- Audit of subsidiary undertakings	76	78
- Non-audit services – other services	43	47
Foreign exchange loss/(gain)	598	(101)
Movement on provision for impairment of inventory		
- Net provisions (included)/written back during the year	67	185
Fair value movement on financial derivative	(329)	(284)

6 Finance income and expense

	2022 $'000	2021 $'000
Finance income		
Interest receivable from bank deposits	35	91
Finance expense		
Interest payable on borrowings	2,103	658
Preference share dividends (note 17)	277	333
Total finance expense	2,380	991

7 Tax charge

	2022 $'000	2021 $'000
Current tax charge		
UK and overseas corporation tax charge for the year	4,213	3,250
Total tax charge	4,213	3,250

Factors affecting the tax charge for the year

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax applied to profits for the year are as follows:

	2022 $'000	2021 $'000
Profit before taxation	20,401	15,940
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19% (2021: 19%)	3,876	3,029
Effects of:		
Non-deductible expenses not taxable	99	71
Depreciation in excess of capital allowances	(93)	(126)
Foreign tax adjustments	31	-
Adjustments to prior periods	200	102
Items taxed at trusts rates	100	174
Total tax charge	4,213	3,250

8 Property, plant and equipment

2022	Leasehold improvements $'000	Furniture, fixtures and office equipment $'000	Motor vehicles $'000	Rights of use asset $'000	Works of art $'000	Total $'000
Cost or valuation						
At 1 October 2021	916	434	37	1,307	135	2,829
Additions	410	79	39	-	-	528
Foreign exchange difference	(116)	(4)	-	(142)	(23)	(285)
At 30 September 2022	1,210	509	76	1,165	112	3,072
Depreciation						
At 1 October 2021	50	366	35	110	-	561
Charge for year	207	38	14	292	-	551
At 30 September 2022	257	404	49	402	-	1,112
Net book value						
At 30 September 2022	953	105	27	763	112	1,960

2021	Leasehold improvements $'000	Furniture, fixtures and office equipment $'000	Motor vehicles $'000	Rights of Use asset $'000	Works of art $'000	Total $'000
Cost or valuation						
At 1 October 2020	45	408	37	-	126	616
Additions	871	21	-	1,299	-	2,191
Foreign exchange difference	-	5	-	8	9	22
At 30 September 2021	916	434	37	1,307	135	2,829
Depreciation						
At 1 October 2020	45	333	35	-	-	413
Charge for year	5	33	-	110	-	148
At 30 September 2021	50	366	35	110	-	561
Net book value						
At 30 September 2021	866	68	2	1,197	135	2,268

9 Interest in joint venture

	2022 $'000	2021 $'000
Investment in joint venture	15	40

The Group has a 50% interest in a joint venture company, Siderian Resource Capital Limited ("SRCL"); a Hong Kong incorporated company with limited liability. It operates in Hong Kong as an investment holding company.

All profits made or losses incurred by the Group and an individual third party are to be split on a 50:50 basis. Management fee income for the support provided by the Group to SRCL is charged in the accounts of SRCL. A dividend was received of $25,000 (2021: $70,000) by the Group from SRCL during the year.

10 Available for sale and current investments

	Current		Non-current	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Available for sale investments at fair value	-	-	89	89
Investments held at fair value through profit or loss	459	552	-	-
	459	552	89	89

11 Inventories

	2022 $'000	2021 $'000
Metals and minerals	96,441	82,940
Less: provision for impairment of inventories	(2,556)	(496)
Net metals and minerals	93,885	82,444

Inventories are stated at the lower of cost and net realisable value. Cost is based on the actual historic cost of purchase and includes attributable direct expenditure. Net realisable value is based on the estimated selling price less additional costs to completion and disposal. The critical accounting estimates and judgement accounting policy on page 22 sets out the approach for the provision for impairment of inventories.

The amount of inventories recognised as an expense during the year was $589 million (2021: $480 million).

12 Trade and other receivables

	2022 $'000	2021 $'000
Trade receivables	26,005	24,381
Other receivables	1,267	2,577
Total trade and other receivables	27,272	26,958

All trade and other receivables are due within one year.

The Group records impairment provisions on its trade receivables separately from gross receivables. There is no provision at the current or previous year end.

13 Trade and other payables (due within one year)

	2022 $'000	2021 $'000
Trade payables	12,185	14,671
Other taxation and social security	162	552
Accruals and other payables	12,573	16,404
	24,920	31,627

14 Provisions for liabilities

	2022 $'000	2021 $'000
Dilapidations provision	827	767

	Dilapidations $'000
At 1 October 2021	767
Additional provision in the year	60
At 30 September 2022	827

The provision consists of dilapidation provisions in respect of the Group's various premises held under operating leases. During the year an additional provision totalling $60,000 was provided for.

The provision will be settled when the Group leaves the property to which it relates.

15 Lease liabilities

	2022 $'000	2021 $'000
Current	90	91
Non-current in two to five years	899	1,141
Total lease liabilities	989	1,232

The Group recognises right-of-use assets and lease liabilities under IFRS16.

16 Loans and borrowings

All the borrowings requirements of Wogen Resources Limited, Wogen Pacific Limited and Wogen Resources America LLC are consolidated under an $125 million borrowing base. The Company and Wogen Group Limited act as guarantors.

Under the terms of the facility the banks hold UK and Hong Kong debentures over all the assets, including the financial assets, of the four companies.

All borrowings are current liabilities.

17 Preference shares

	2022 Number '000	2022 Total $'000	2021 Number '000	2021 Total $'000
Non-current liabilities				
Irredeemable preference B shares of £0.41 each				
At beginning and end of the year	2,661	1,236	2,661	1,489

In accordance with IAS 32, irredeemable preference shares have been deemed to be a financial liability rather than equity.

The Preference B shares have the right to a fixed annual dividend which is not at the discretion of the Company, and therefore have the characteristics of a financial liability. Dividend distributions in respect of the preference shares are treated as a finance cost and taken to the consolidated income statement.

In addition to the fixed annual dividend, the preference shares carry the right to a participating dividend in relation to the performance of the Group.

The Preference B shares are irredeemable and have therefore been disclosed as a non-current liability. The annual coupon on these shares of $277,000 / £244,000 (2021: $333,000 / £244,000) has also been accrued as a dividend creditor at the year end.

18 Loan stock

	2022 $'000	2021 $'000
Loan stock repayable within one year	1,150	1,150
Loan notes repayable between one and five years	-	1,150
Total loan stock	1,150	2,300

The loan stock is repayable in annual instalments up to July 2023.

The total related finance charge for the year was $69,000 (2021: $85,000).

19 Share capital

	Issued and fully paid			
	2022 Number	2022 $'000	2021 Number	2021 $'000
Ordinary shares of £0.10 each				
At beginning of the year	17,969,859	2,959	17,859,859	2,944
Ordinary shares issued	-	-	110,000	15
At end of the year	17,969,859	2,959	17,969,859	2,959

During the year ended 30 September 2021, 110,000 shares were issued by the Company at $0.72 for a total consideration of $79,000. There were no share issued in the current year.

20 Financial instruments

Principal financial instruments:

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

- trade receivables
- cash at bank
- bank overdrafts
- trade and other payables
- forward currency contracts
- LME contracts
- available for sale investments
- current investments
- preference shares

Categories of financial assets and liabilities:

	Fair value through profit or loss		Available for sale investments		Loans and Receivables	
	2022	2021	2022	2021	2022	2021
	$'000	$'000	$'000	$'000	$'000	$'000
Current financial assets						
Trade and other receivables	-	-	-	-	27,272	26,958
Cash and cash equivalents	-	-	-	-	7,004	7,092
Derivative financial instruments	343	-	-	-	-	-
Current Investments	459	522	-	-	-	-
Total current financial assets	802	522	-	-	34,276	34,050
Non-current financial assets						
Investments	-	-	89	89	-	-
Total non-current financial assets	-	-	89	89	-	-
Total financial assets	802	522	89	89	34,276	34,050

All categories of financial assets held at fair value through profit or loss and available for sale investments are Level 1 or Level 2 of the fair value hierarchy under IFRS 7.

Available for sale investments consist of UK-equity securities that are not being held for trading purposes and minority investments in trading companies that are held at fair value.

20 Financial instruments ***(continued)***

	Derivative financial instruments		Financial liabilities measured at amortised cost	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Current financial liabilities				
Trade and other payables	-	-	24,920	31,627
Derivative financial instruments	120	106	-	-
Preference shares dividend creditor	-	-	277	333
Bank loans and borrowings	-	-	31,756	22,387
Finance lease liability	-	-	90	91
Loan stock	-	-	1,150	1,150
Total current financial liabilities	120	106	58,193	55,588
Non-current financial liabilities				
Preference shares	-	-	1,236	1,489
Provisions	-	-	827	767
Finance lease liability	-	-	899	1,141
Loan stock	-	-	-	1,150
Total non-current financial liabilities	-	-	2,962	4,547
Total financial liabilities	120	106	61,155	60,135

Interest is payable on loans and borrowings at variable rates. See note 16 for further details of the bank loans and overdrafts. The carrying amounts of loans and borrowings are considered by the Directors to be a reasonable approximation of the financial instruments fair value.

It is the Directors' opinion that the carrying value of trade receivables and trade payables approximates to their fair value.

As explained more fully in note 17, the preference shares have been treated as debt rather than equity in accordance with IAS 32. The dividend due on the preference shares is scheduled to be paid in January 2023.

Financial instrument risk exposure and management

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. The Group's objectives, policies and processes for managing those risks and the methods used to measure them are described below. 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.

20 Financial instruments *(continued)*

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 Group's risk committee reviews the risk management policies and processes and reports its findings to the Audit Committee.

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.

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 financial assets and liabilities, other than investments, loan stock and preference shares, were due within one year throughout the review period. 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. Management reviews cash availability on a regular basis to determine whether the Group has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities. The Group had further undrawn bank facilities available of $97 million (2021: $60 million), representing the unused portion of the $125 million (2021: $80 million) credit facility available to the Group, as described in note 16.

Credit Risk

Credit risk arises principally from the Group's trade receivables, prepayments for stock, and cash and cash equivalents. It is the risk that the counterparty fails to discharge its obligation in respect of the instrument. The Group's maximum exposure to credit risk represents its receivables as disclosed.

Prior to accepting new customers, a credit check is carried out internally. Based on this information, credit limits as appropriate and payment terms are established and authorised by the Finance Director. Credit limits may only be increased with the authorisation of the Finance Director subject to upper limits imposed by the Board. Customers who fail with severity to meet their credit terms are required to make purchases on the same basis as a new customer until creditworthiness can be re-established.

No individual trade receivable balance is considered to represent a significant portion of the total balance. The average age of total trade receivables is 15 days (2021: 17 days). Whilst credit risk is mainly influenced by factors specific to individual customers, the concentration of sales both geographically and by industry is a contributory factor. However, the Directors believe that credit risk is minimised by the Group's receivables being across a large cross section of customers from different industries and different geographical regions.

Interest rate risk

The Group currently has no hedging in place to reduce interest rate risk. The Group has hedged its interest risk in the past and the Directors continue to assess this risk and may choose to take measures against adverse interest rate movements if they assess the risk to increase in the future.

Interest rate risk arises from interest bearing financial assets and liabilities that the Group uses. Interest is payable on bank loans and overdrafts at variable rates. No interest is payable on trade payables. There are no fixed rate financial liabilities.

No interest is receivable on unlisted investments. Interest is receivable on certain trade receivables at variable rates. Interest is received on cash and cash equivalents at variable rates. There are no fixed rate financial assets.

20 Financial instruments *(continued)*

Currency risk

The Group's policy is to minimise currency risk using forward foreign currency contracts for known future assets or liabilities denominated in currencies other than the functional currency.

A loss of $598,000 (2021: $101,000 gain) has been taken to the consolidated income statement with respect to gains on forward exchange contracts.

Liquidity risk (continued)

The average trade payable payment period is 8 days (2021: 11 days) and contractual maturity analysis for financial liabilities is shown in the following table:

2022	Due in less than one month $'000	Due between one to three months $'000	Due in more than three months $'000	Total $'000
Financial liabilities				
Bank loans and overdrafts	31,756	-	-	31,756
Preference shares	-	-	1,236	1,236
Preference share dividend	-	-	277	277
Trade and other payables (note 13)	24,920	-	-	24,920
Provisions	-	-	827	827
Finance lease liability	-	-	899	899
Loan Stock	-	-	1,150	1,150
	56,676	-	4,389	61,065

2021	Due in less than one month $'000	Due between one to three months $'000	Due in more than three months $'000	Total $'000
Financial liabilities				
Bank loans and overdrafts	22,387	-	-	22,387
Preference shares	-	-	1,489	1,489
Preference share dividend	-	-	333	333
Trade and other payables (note 13)	31,627	-	-	31,627
Provisions	-	-	767	767
Finance lease liability	-	-	1,232	1,232
Loan Stock	-	-	2,300	2,300
	54,014	-	6,121	60,135

20 Financial instruments *(continued)*

Market Risks
Other market risks

Price risk is the risk of a loss arising from adverse movements in the level or volatility of market prices. The Group monitors this risk on a daily and intra-day basis. The impact of such movements in market price can mean that the net realisable value of inventories falls below that of the original cost, which results in provisions being made against such stock items in order to include them in the financial statements at the lower of cost and net realisable value in accordance with the Group's accounting policies.

Interest rate risk (continued)

The annualised effect of a 2% decrease in the interest rate at the year end date on the variable rate debt carried at that date would, all other variables held constant, have resulted in an increase in pre-tax profits for the year and an increase in equity at the year-end date of $1,100,000 (2021: $280,000). A 2% increase in the interest rate would, on the same basis, have decreased the pre-tax profit and decreased equity by the same amount.

Capital management

As described in note 1 to the financial statements, the Group considers its capital to comprise its ordinary share capital, share premium, capital redemption, Employees Trust reserve, foreign exchange reserve, available for sale reserve and accumulated retained earnings in the statement of financial position.

In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and distributions. In order to achieve this objective, the Group seeks to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, either through altering its dividend policy, new share issues, or changes in the level of debt, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

Fair value of financial assets and financial liabilities

i) Financial instruments at fair value through profit or loss

As stated in note 1 to the financial statements, the fair value measurement hierarchy categorises the inputs used in valuation techniques into 3 levels.

The Group does not have any Level 3 instruments at the year-end or at the end of the prior year. As noted above, all categories of financial assets held at fair value through profit or loss and available for sale investments are classified as Level 1 or Level 2 of the hierarchy.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Directors of the Group are expected to determine whether transfers have occurred between the levels in the hierarchy by re-assessing the appropriate categorisation at the end of each reporting period. There were no transfers in or out of Level 1, 2 or 3 during the year.

ii) Other financial assets and liabilities

Other than the financial assets and liabilities referred to above, there are no financial assets or financial liabilities of the Group that are measured at fair value on a recurring basis, in either the current or prior year.

The Directors have considered the book values and fair values of the Group's financial assets and liabilities as at 30 September 2022 and consider them to be approximate to their book value owing to the short term maturity of these instruments.

21 Pension costs

Defined contribution

The Group operates a personal pension plan for certain Directors and employees. The assets of the plan are held separately from those of the Group in independently administered funds. The total costs charged in respect of the plan is disclosed in note 3.

22 Analysis of changes in net debt

	At 1 October 2021	Cash flows	At 30 September 2022
	$'000	**$'000**	**$'000**
Cash and cash equivalents	7,092	(88)	7,004
Bank borrowings	(22,387)	(9,369)	(31,756)
	(15,295)	(9,457)	(24,752)

23 Employee Trusts

Wogen Group Limited, one of the subsidiaries in the Group, has two Employee Trust schemes for its employees – The Wogen Group Limited 1992 Employees' Trust ("the 1992 Employees' Trust) and The Wogen Group Limited 2010 Employee Benefit Trust ("the 2010 Employees' Trust").

There have been the following movements in the shares held by the Trusts during the year:

	Number 2022	Number 2021
1992 Employees' Trust		
At start of year	-	150,466
Sold during the year	-	(150,466)
Balance at end of year	-	-
2010 Employees' Trust		
At start of year	1,142,735	1,275,319
Sold during the year	(24,044)	(132,584)
Balance at end of year	1,118,691	1,142,735

23 Employee Trusts *(continued)*

	2022 $'000	2021 $'000
Market value of shares held:		
2010 Employees' Trust	2,446	2,682

Even though the shares in the Employee Trusts are controlled by the Trustee, it is the Directors' opinion that the Group still has de facto control of the Employee Trusts and it is therefore appropriate that the assets and liabilities of the Employee Trusts are included within the Group's consolidated financial statements.

24 Share based payment

The Group had an option scheme for certain employees of the group called the "New Option Scheme".

The New Option Scheme had no conditions attached other than the employee remaining in employment within the Group. Options under both schemes are forfeited if the employee leaves the Group before the options vest.

During the prior year all the outstanding options in the New Option Scheme either vested or lapsed. At the year end there are no options outstanding. No charge has been recognised in the consolidated income statement in relation to the share options (2021: $nil).

	2022 Weighted Average Exercise Price (pence)	2022 Number	2021 Weighted Average Exercise Price (pence)	2021 Number
Outstanding at the beginning of the year - New Option Scheme	-	-	53	200,000
Exercised during the year - New Option Scheme	-	-	53	(110,000)
Lapsed during the year - New Option Scheme	-	-	-	(90,000)
Outstanding at the end of the year - New Option Scheme	-	-	-	-

25 Related party transactions

Transactions between the Company and its wholly owned subsidiaries, which are related parties, have been eliminated on consolidation and are therefore not disclosed in this note.

The Group considers its key management personnel to be the Directors of the Company and the only transactions with Directors are detailed in note 4. The remuneration of Directors is determined by the remuneration committee having regard to the performance of individuals and market trends.

The loan notes described in note 18 are from a Director.

Company Statement of Financial Position
for the year ended 30 September 2022

Company number: 06949664

	Note	2022 $'000	2022 $'000	2021 $'000	2021 $'000
Non-current assets					
Investments	29		30,343		30,343
Current assets					
Debtors	30	8,253		8,356	
		8,253		8,356	
Current liabilities	31	(1,620)		(1,605)	
Net current assets			6,633		6,751
Total assets less current liabilities			36,976		37,094
Non-current liabilities	32		(1,236)		(2,638)
Net assets			35,740		34,456
Capital and reserves					
Called up share capital	33		2,959		2,959
Share premium account	35		12,102		12,102
Capital redemption reserve	35		948		948
Profit and loss account	35		19,731		18,447
Total equity	34		35,740		34,456

The financial statements were approved by the Board of Directors and authorised for issue on: 12/12/2022

John Craig
Chief Executive Officer

Damian Brousse
Director

The notes on pages 42 to 47 form part of these financial statements

26 Accounting policies

The financial statements have been prepared in accordance with UK-adopted international accounting standards and the Companies Act 2006 applicable to companies reporting under IFRS. The Company has adopted all of the standards and interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee that are relevant to its operations.

The financial statements are prepared in US Dollars, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest $'000.

In accordance with the provisions of Section 408 of the Companies Act 2006, the Profit and Loss Account of the Company is not presented separately. The Company's profit after tax for the year was $6,046,000 (2021: $6,029,000).

The following principal accounting policies, that apply specifically to the Company as an individual entity, have been applied:

Investments

Fixed asset investments are included in the financial statements at cost less provision for diminution in value.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the year end date. Deferred tax balances are not discounted.

Foreign Currency translation

Non-monetary assets acquired in foreign currencies are translated into dollars at the exchange rate ruling at the date of acquisition or the contracted rate, as appropriate. Monetary assets and liabilities denominated in foreign currencies are translated into dollars at either the exchange rates ruling at the period end or the contracted rates, as appropriate. All differences are written off to the profit and loss account.

Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the profit and loss account over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each year end date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the profit and loss account over the remaining vesting period.

Dividends

Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

27 Employees

	2022 $'000	2021 $'000
Staff costs, including Directors:		
Salaries and wages including bonuses	256	183
Social security costs	22	19
	278	202

The average monthly number of employees of the Company during the year, including the Directors, was as follows:

	2022 Number	2021 Number
Employees	5	5

The disclosures relating to the Directors' remuneration for the year are included in note 4 of the consolidated financial statements.

28 Operating profit

	2022 $'000	2021 $'000
This has been arrived at after charging:		
Auditor's remuneration – Audit	8	8
Auditor's remuneration – other services	8	5

29 Investments

	2022 $'000	2021 $'000
Shares in subsidiary undertakings and other unlisted companies:		
Investments in subsidiaries at cost	30,343	30,343

The following is a list of the significant subsidiaries, joint ventures and associates at 30 September 2022 and particulars of shareholdings therein:

Name of subsidiary	Country of incorporation	Class of Shares	Nature of business	Proportion of shares held (see below)
Wogen Group Limited	England	Ordinary	(a)	100%
Wogen Resources Limited	England	Ordinary	(b)	100%
Wogen Pacific Limited	Hong Kong	Ordinary	(b)	100%
Wogen Metal Commercial (Shanghai) Limited	China	Ordinary	(b)	100%
Wogen Resources South Africa (Pty) Limited	South Africa	Ordinary	(b)	100%
Wogen US Incorporated	USA	Ordinary	(b)	100%
Wogen Resources America LLC	USA	Ordinary	(b)	100%
Wogen M.S.T. Ltd	Turkey	Ordinary	(b)	100%
Wogen Resources Europe Limited	Ireland	Ordinary	(b)	100%
Name of joint venture				
Siderian Resource Capital Limited	Hong Kong	Ordinary	(c)	50%

(a) management company for Group
(b) indirect subsidiary dealing domestically and internationally in metals and minerals
(c) indirect investment in investment holding company

30 Debtors due within one year

	2022 $'000	2021 $'000
Amounts payable by subsidiary undertakings	8,253	8,356

31 Creditors: amounts falling due within one year

	2022 $'000	2021 $'000
Preference shares dividend	277	333
Accruals	121	94
Taxation and social security	72	28
Loan stock	1,150	1,150
	1,620	1,605

Further information on the preference shares and the accrued dividend for the year can be found in note 17 to the consolidated financial statements.

32 Creditors: amounts falling due in more than one year

	2022 $'000	2021 $'000
Preference B shares	1,236	1,488
Loan stock	-	1,150
	1,236	2,638

Further information on the preference shares can be found in note 17 to the consolidated financial statements.

33 Share capital

	Issued and fully paid			
	2022 Number	**2022 \$'000**	**2021 Number**	**2021 \$'000**
Ordinary shares of £0.41 each				
At beginning of the year	17,969,859	2,959	17,859,859	2,944
Ordinary shares issued during the year	-	-	110,000	15
At end of the year	17,969,859	2,959	17,969,859	2,959
Irredeemable Preference B shares of £0.41 each				
At beginning and end of the year	2,660,552	1,236	2,660,552	1,488

Further details of the Company's share capital and share options are included in notes 19 and 24 respectively to the consolidated financial statements.

34 Reconciliation of movement in shareholders' funds

	2022 \$'000	**2021 \$'000**
Share issue	-	79
Profit for the year after taxation	6,046	6,029
Dividends paid during the year	(4,762)	(5,103)
Opening shareholders' funds	34,456	33,451
Closing shareholders' funds	35,740	34,456

35 Reserves

2022

	Share premium reserve $'000	Capital redemption reserve $'000	Retained earnings $'000	Total $'000
At 1 October 2021	12,102	948	18,447	31,497
Profit for the year	-	-	6,046	6,046
Dividends	-	-	(4,762)	(4,762)
At 30 September 2022	12,102	948	19,731	32,781

2021

	Share premium reserve $'000	Capital redemption reserve $'000	Retained earnings $'000	Total $'000
At 1 October 2020				
Profit for the year	12,038	948	17,521	30,507
Capital redemption	-	-	6,029	6,029
Dividends	-	-	(5,103)	(5,103)
Issue of shares	64	-	-	64
At 30 September 2021	12,102	948	18,447	31,497

36 Controlling party

The company is controlled by Alexander Williams by virtue of his shareholding.