

AME EAST AFRICA LIMITED

Company No. 08655008

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Page
Report of the Directors	1
Statement of Directors' Responsibilities	2
Report of the Independent Auditor	3
FINANCIAL STATEMENTS	
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
COMPANY INFORMATION	17

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report with the financial statements for the year ended 31 December 2022.

Principal Activities and incorporation

The principal activity during the year was that of an intermediate holding company. The financial statements are presented for the year to 31 December 2022.

Directors

The Directors who held office during the year was as follows:

Dale John Ferguson (appointed on 31 August 2022)

David Stuart Archer (resigned on 12 July 2022)

Christopher Michael McGarty

Statement as to Disclosure of Information to Auditors

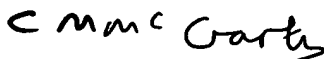
So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, BDO LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

On behalf of the board:



Christopher Michael McGarty

Director

Date: 8 September 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the director's 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 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 Company and of the profit or loss for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
AME EAST AFRICA LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2022**

Opinion on the 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 December 2022 and of its loss 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.

We have audited the financial statements of AME East Africa Limited ("the Company") for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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 Directors are responsible for the other information. The other information comprises the information included in the Report of the Directors, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
AME EAST AFRICA LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2022**

Other Companies Act 2006 reporting

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

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

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

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

- adequate accounting records have not been kept, 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
AME EAST AFRICA LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2022**

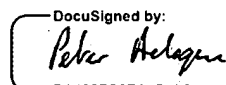
- Holding discussions with management to understand the laws and regulations relevant to the Company. These included elements of financial reporting framework, Companies Act 2006 and tax legislation in the UK;
- Holding discussions with management and considering any known or suspected instances of non-compliance with laws and regulations or fraud identified by them;
- Discussing amongst the engagement team as to how and where fraud might occur in the financial statements;
- In addressing the risk of fraud including the management override of controls, we tested a sample of journal entries throughout the year which met a defined risk criteria such as unusual account combinations, by agreeing to supporting documentation;
- Assessing whether the judgements made in accounting estimates were indicative of a potential bias and
- Reviewing minutes from board meetings of those charged with governance to identify any instances of non-compliance with laws and regulations and any instances of known or suspected fraud.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.

DocuSigned by:

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Peter Acloque (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
8 September 2023

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
Revenue		-	-
Administrative expenses		-	-
Foreign exchange gain/(loss)		96,520	-
OPERATING GAIN		96,520	-
Finance costs		-	-
GAIN FROM CONTINUING OPERATIONS BEFORE TAX		96,520	-
(LOSS)/GAIN ON DISCONTINUED OPERATIONS BEFORE TAX	2	(97,406)	2,602,833
Taxation	4	(25,575)	-
TOTAL COMPREHENSIVE (EXPENSE) / INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		(26,461)	2,602,833

All recognised gains and losses are included in the statement of comprehensive income.

The notes on pages 10 to 16 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AME EAST AFRICA LIMITED
REGISTERED NUMBER: 08655008
31 DECEMBER 2022

	Notes	2022 £	2021 £
ASSETS			
NON-CURRENT ASSETS			
Investments in subsidiaries	5	-	-
Other receivables		454,651	-
TOTAL NON-CURRENT ASSETS		454,651	-
CURRENT ASSETS			
Trade and other receivables	6	106,799	559,171
Cash		251,403	1,068,862
TOTAL CURRENT ASSETS		358,202	1,628,033
TOTAL ASSETS		812,853	1,628,033
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	7	100	100
Retained earnings		642,561	1,480,594
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		642,661	1,480,694
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	170,192	147,339
TOTAL LIABILITIES		170,192	147,339
TOTAL EQUITY AND LIABILITIES		812,853	1,628,033

The financial statements were approved and authorised for issue by the Directors on 8 September 2023 and were signed on its behalf by:

C m m c Gartys

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Christopher Michael McGarty
 Director
 Company number: 08655008

The notes on pages 10 to 16 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Share capital £	Retained earnings £	Total equity £
At 1 January 2021	100	(1,122,239)	(1,122,139)
Total comprehensive expense for the period	-	2,602,833	2,602,833
At 31 December 2021	100	1,480,594	1,480,694
Total comprehensive income for the year	-	(26,461)	(26,461)
Payment of Dividend to shareholder	-	(811,572)	(811,572)
At 31 December 2022	100	642,561	642,661

The following describes the nature and purpose of each reserve within owners' equity

Reserve	Description and purpose
Share capital	Amounts subscribed for share capital at nominal value.
Retained earnings	Cumulative net gains and losses recognised in the statement of comprehensive income.

The notes on pages 10 to 16 form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
Cash flows used in operating activities			
(Loss)/Gain for the year		(26,461)	2,602,833
Exchange (gains)/losses		(140,160)	17,143
Gain on relinquishment of the rights and obligations of discontinued operations		-	(2,882,938)
Impairment of investments		90,533	-
Cash flow used in operating activities before changes in working capital		(76,088)	(262,962)
Decrease /(Increase) in trade and other receivables		39,024	(29,532)
Increase in trade and other payables		81,832	25,826
Net cash (used in) / from operating activities		44,768	(266,668)
Cash flow used in investing activities			
Net cash outflow on investment in subsidiaries	5	(90,533)	(673,579)
Proceeds from relinquishment of the rights and obligations of discontinued operations		-	6,639,644
Net cash from investing activities		(90,533)	5,966,065
Cash flow from financing activities			
Net cash inflow from parent Company		-	545,755
Repayment loan to parent company		(56,642)	(5,209,628)
Payment of dividend to parent company		(811,572)	-
Net cash used in financing activities		(868,214)	(4,663,873)
(Decrease)/Increase in cash and cash equivalents		(913,979)	1,035,524
Cash and cash equivalents at beginning of the year		1,068,862	50,488
Exchange gains/(losses) on cash and cash equivalents		96,520	(17,150)
Cash and cash equivalents at end of the year		251,403	1,068,862

The notes on pages 10 to 16 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES

Basis of Preparation

The principal accounting policies adopted in the preparation of the financial statements are set below. The policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared in accordance with UK adopted international accounting standards.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts as the ultimate parent of the Company issues consolidated financial statements available for public use that comply with IFRSs. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

The financial statements are presented for the year to 31 December 2022.

The Company is domiciled in the UK and has its registered office at Salisbury House, London Wall, London, EC2M 5PS.

Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following items: Financial assets.

Presentational and Functional Currency

The presentational and functional currency of the Company is Pound Sterling.

Going Concern

The Company had cash balance of £0.3m at 31 December 2022. The Directors have reviewed the cash-flow projection for the Company and concluded that it has sufficient finance in place to meet its financial commitments for at least 12 months from the date of approval of the financial statements. Therefore, the Directors continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

Investments

Investments in subsidiaries are accounted for at cost. These investments are classified as non-current assets on the Statement of Financial Position.

Financial Instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Foreign Currencies

Transactions in foreign currencies are initially recorded in the functional currency by applying spot exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date.

Financial Assets

Trade and Other Receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. 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.

Under IFRS 9, impairment provisions are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

There is no significant difference between carrying value and fair value of trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and balances held with banks. Cash equivalents are short term, highly liquid accounts that are readily converted to known amounts of cash.

Financial Liabilities

Other liabilities

Other liabilities consist of trade and other payables, which are initially recognised at fair value and subsequently carried at amortised cost, using the effective interest method.

There is no significant difference between the carrying value and fair value of other liabilities.

Taxation

Current taxes are based on the results shown in the Financial Statements and are calculated according to local tax rules, using tax rates enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which timing differences can be utilised.

Key Accounting Estimates and Judgements

The preparation of financial information in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of financial information and the reported amounts of expenses during the reporting periods. Although these estimates are based on management's best knowledge of the amounts, event or actions, actual results ultimately may differ from those estimates.

Accounting Developments During 2022

The accounting policies adopted are consistent with those of the previous financial year. New standards and amendments to IFRS effective as of 1 January 2022 have been reviewed by the Company and there has been no material impact on the Financial Statements as a result of these standards and amendments.

Accounting Developments Not Yet Adopted

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective in future accounting periods that the Company has decided not to adopt early. The Directors do not expect these will have a material impact on the Financial Statements of the Company.

2. DISCONTINUED OPERATIONS

In October 2016 Savannah, the Company and Rio Tinto entered into a Consortium Agreement ('CA'), whereby both Savannah Group and Rio Tinto combined their respective projects in Mozambique to form an unincorporated consortium. On the 1 December 2021 the Company signed a Deed of Termination relating to the CA.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Under the Deed of Termination the following was agreed:

- the relinquishment of the rights and obligations provided under the CA, including that AME EA would not have an interest in Mutamba Rio and Rio Tinto would not have an interest in Matilda Minerals Lda's Mining Concession 9735C;
- the transfer of the Company's in country team to Rio Tinto;
- termination compensation amounting to \$9.5m cash.

The post-tax gain on relinquishment of the rights and obligations of Discontinued Operations was determined as follows:

	£
Termination Compensation	7,139,666
Net assets relinquished	
Investments in Mozambique subsidiaries	(4,256,728)
Total Net assets relinquished	<u>(4,256,728)</u>
Pre-tax gain on relinquishment of the rights and obligations of discontinued operation	2,882,938
Related tax	-
Gain on relinquishment of the rights and obligations of discontinued operations	<u>2,882,938</u>

This gain differs from the £627,078 reported in the parent company (Savannah Resources plc) Group Financial Statements for the year ended 31 December 2021 because the parent company itself had incurred costs directly in the Mozambique Operations.

The detail of the result of discontinued operations is as follows:

	2022 £	2021 £
Expenses other than finance costs	(122,981)	(280,105)
Gain on relinquishment of the rights and obligations of discontinued operations after tax	-	2,882,938
(Loss)/Profit on discontinued operations for the year	<u>(122,981)</u>	<u>2,602,833</u>

The statement of cash flows includes the following amounts relating to discontinued operations:

	2022 £	2021 £
Net cash from/(used in) operating activities	141,288	(266,668)
Net cash from investing activities	(90,533)	4,897,203
Net cash used in financing activities	(868,214)	(4,663,873)
Net cash (used in)/ from discontinued operations	<u>(817,459)</u>	<u>(33,338)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

3. EMPLOYEES AND DIRECTORS

The average monthly number of employees during the year was as follows:

	2022 No	2021 No
Operational	-	-
Non-operational	-	1
	<u>-</u>	<u>1</u>

Staff Costs (excluding Directors)

	2022 £	2021 £
Salaries	-	116,482
Bonus	-	62,287
Social security	-	-
	<u>-</u>	<u>178,769</u>

No Directors received remuneration during the year.

The Directors are considered to be the key management of the Company.

4. INCOME TAX

Analysis of the Tax Charge

No UK corporation tax liability arose on ordinary activities for the year ended 31 December 2022. After submission of the definitive tax computation in 2022 for the year ended 31 December 2021 a tax liability amounting to £25,717 arose and was registered and paid during the year ended 31 December 2022.

Factors Affecting the Tax Charge

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

	2022 £	2021 £
(Loss)/Gain on ordinary activities before tax	<u>(26,461)</u>	<u>2,602,833</u>
Gain / (Loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	<u>(5,028)</u>	<u>494,538</u>
Effects of:		
Corporation tax related to prior year ¹	25,717	-
Expenses not deductible for tax purposes	4,886	808,778
Effect of Group relief	-	(1,119,844)
Tax losses carried forward /(used)	<u>-</u>	<u>(183,472)</u>
Total income tax	<u>25,575</u>	<u>-</u>

¹ Tax liability that arose following submission of the definitive tax computation for the year ended 31 December 2021

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Deferred Tax

The Company has carried forward losses as at 31 December 2022 amounting to £744 (2021: nil).

5. INVESTMENTS

	Company undertakings £
At 1 January 2021	3,583,149
Additional investment in subsidiaries	673,579
Write-off on relinquishment of the rights and obligations of discontinued operations	(4,256,728)
At 31 December 2021	-
Additional investment in subsidiaries	90,533
Impairment charge	(90,533)
At 31 December 2022	-

The additions in 2022 represents the investment in Matilda Minerals Limitada. The additions in 2021 represents the investment in Matilda Minerals Limitada and additional funds invested to fund exploration on the project in Mozambique.

As at 31 December 2022 and 2021 the total investment was written-off as consequence of the termination agreement signed with Rio Tinto (see Note 2).

The Company had the following subsidiary undertakings, either directly or indirectly, at 31 December 2022:

Subsidiary	Country of Incorporation	Nature of business	Class of share	% Holding
Matilda Minerals Limitada	Mozambique ¹	Mining & exploration	Ordinary	99.99%
Panda Recursos Limitada	Mozambique ²	Mining & exploration	Ordinary	99.99%

¹ Damiao de Gois, no 438, Sommerschield, Maputo, Mozambique

² Rua 1301, Num 97, Sommerschield, Maputo, Mozambique

6. TRADE AND OTHER RECEIVABLES

	2022 £	2021 £
Non-Current		
Other receivables	454,651	-
	454,651	-
Current:		
Other receivables	106,799	559,171
	106,799	559,171

The amount registered in Non-current and Current Other receivables are related to the termination agreement signed with Rio Tinto.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

7. SHARE CAPITAL

Allotted, issued and fully paid	2022		2021	
	£0.01 ordinary shares number	£	£0.01 ordinary shares number	£
At beginning of year	10,000	100	10,000	100
Issued during year	-	-	-	-
At end of year	10,000	100	10,000	100

On incorporation, 10,000 ordinary shares of £0.01 were issued for £100.

8. TRADE AND OTHER PAYABLES

	2022 £	2021 £
Current:		
Trade creditors	11,876	10,886
Accruals	73,747	64,598
Amounts due to parent undertaking	84,569	71,855
	170,192	147,339

9. RELATED PARTY TRANSACTIONS

	2022 £	2021 £
Payables to related parties:		
- Savannah Resources Plc (parent)	84,569	71,855

Balances with the parent arise due to recharges and payments made to suppliers on the Company's behalf by the parent company. The balances are repayable on demand.

10. FINANCIAL INSTRUMENTS

Financial Instruments - Risk Management

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these Financial Statements.

There have been no substantive changes in the Company'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.

Principal Financial Instruments

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

- trade and other receivables
- cash at bank
- trade and other payables

Trade and other payables fall due for payment within 3 months from the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Liquidity Risk

The Company has sufficient funding in place to meet its operational commitments and is not exposed to any liquidity risk. The Company's policy continues to be to ensure that it has adequate liquidity by careful management of its working capital. Current cash flow projections indicated that the Company expected to have sufficient liquid resources to meet its current obligations under all reasonably expected circumstances.

Foreign Exchange Risk

The Company is exposed through its operations to foreign exchange risk which arises because the Company has overseas operations located in Mozambique whose functional currency is MZN. The Company's net assets arising from overseas operations are exposed to currency risk resulting in gains or losses on retranslation into Pound Sterling.

Foreign exchange risk also arises when the Company enter into transactions denominated in a currency other than their functional currency. The Company's policy is, where possible, to allow its subsidiaries to settle liabilities denominated in their functional currency (MZN) with the cash remitted to those operations in their functional currency where practical or in USD. Larger contracts in Mozambique are denominated in USD.

11. ULTIMATE PARENT UNDERTAKING

The ultimate parent company is Savannah Resources plc, company no. 07307107 registered in England and Wales.

12. EVENTS SINCE THE REPORTING DATE

There were no Events After the Reporting Date to report.

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022**

DIRECTORS:	Dale John Ferguson Christopher Michael McGarty
SECRETARY:	Mr Dominic Traynor
REGISTERED OFFICE:	Salisbury House London Wall London EC2M 5PS
REGISTERED NUMBER:	08655008 (England and Wales)
AUDITORS:	BDO LLP Chartered Accountants & Statutory Auditors 55 Baker Street London W1U 7EU