

REGISTERED NUMBER: 04929472 (England and Wales)

SRK EXPLORATION LIMITED
(FORMERLY KNOWN AS SRK EXPLORATION SERVICES LIMITED)
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

SRK EXPLORATION LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2023**

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SRK EXPLORATION LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2023**

DIRECTORS: W F A Kellaway
T J Lucks
C Rawbone
N J O'Reilly
J C D Russill

SECRETARY: E M Hallett

REGISTERED OFFICE: 21 Gold Tops
NEWPORT
NP20 4PG

REGISTERED NUMBER: 04929472 (England and Wales)

AUDITORS: MHA
Statutory Auditor
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

SRK EXPLORATION LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2023**

The directors present their report with the financial statements of the company for the year ended 31 December 2023.

CHANGE OF NAME

The company passed a special resolution on 27 October 2023 changing its name from SRK Exploration Services Limited to SRK Exploration Limited.

PRINCIPAL ACTIVITY

The nature of the company's operations and principal activities are that of provision of geological exploration services to the mining industry.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2023 to the date of this report.

W F A Kellaway
T J Lucks
C Rawbone
N J O'Reilly

Other changes in directors holding office are as follows:

J C D Russill - appointed 3 October 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company 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;
- 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 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 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 each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITOR

On 30 June 2023 as a result of a recent merger, Watts Gregory LLP resigned as auditor in accordance with Section 516 of the Companies Act 2006 and re-engaged its services as MHA.

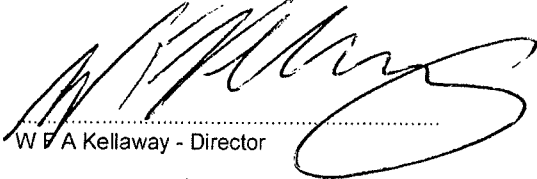
The auditors, MHA, will be proposed for re-appointment at the forthcoming Annual General Meeting.

SRK EXPLORATION LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2023

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



W F A Kellaway - Director

Date: 8 Mar 2024

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SRK EXPLORATION LIMITED

Opinion

We have audited the financial statements of SRK Exploration Limited (the 'company') for the year ended 31 December 2023 which comprise the Profit and loss account, Balance Sheet, Statement of Changes in Equity 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditors' responsibilities for the audit of the financial statements section of our report. 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. 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 directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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

- adequate accounting records have not been kept; or
- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SRK EXPLORATION LIMITED

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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.

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

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

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inaccurate journals. We addressed these risks by carrying out specifically targeted procedures, which included:

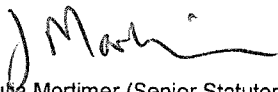
- Enquiries of management, those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business;
- Evaluating the reasons for any large or unusual transactions;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations to underlying supporting documentation.

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

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

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 a Report of the Auditors 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.


Julia Mortimer (Senior Statutory Auditor)
for and on behalf of MHA
Statutory Auditor
CARDIFF
CF23 8RS

Date: 15 May 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

SRK EXPLORATION LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
TURNOVER		5,941,561	4,134,086
Cost of sales		<u>(2,894,512)</u>	<u>(2,585,678)</u>
GROSS PROFIT		3,047,049	1,548,408
Administrative expenses		<u>(1,835,825)</u>	<u>(1,301,363)</u>
		1,211,224	247,045
Other operating income		<u>1,080</u>	<u>12,140</u>
OPERATING PROFIT		1,212,304	259,185
Interest payable and similar expenses		<u>-</u>	<u>(3,331)</u>
PROFIT BEFORE TAXATION		1,212,304	255,854
Tax on profit	4	<u>(326,412)</u>	<u>7,194</u>
PROFIT FOR THE FINANCIAL YEAR		<u>885,892</u>	<u>263,048</u>

The notes form part of these financial statements

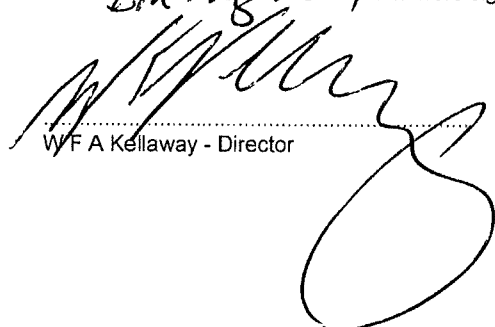
SRK EXPLORATION LIMITED (REGISTERED NUMBER: 04929472)

BALANCE SHEET
31 DECEMBER 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Tangible assets	5	93,122	36,386
Investments	6	<u>1,270</u>	<u>1,270</u>
		<u>94,392</u>	<u>37,656</u>
CURRENT ASSETS			
Debtors	7	2,013,553	1,940,393
Cash at bank and in hand		<u>2,094,924</u>	<u>568,909</u>
		4,108,477	2,509,302
CREDITORS			
Amounts falling due within one year	8	<u>(2,445,848)</u>	<u>(1,419,545)</u>
NET CURRENT ASSETS		<u>1,662,629</u>	<u>1,089,757</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,757,021	1,127,413
PROVISIONS FOR LIABILITIES	10	<u>(6,648)</u>	<u>-</u>
NET ASSETS		<u>1,750,373</u>	<u>1,127,413</u>
CAPITAL AND RESERVES			
Called up share capital	11	20,900	20,900
Share premium		360,234	360,234
Retained earnings		<u>1,369,239</u>	<u>746,279</u>
SHAREHOLDERS' FUNDS		<u>1,750,373</u>	<u>1,127,413</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 21st May 2024 and were signed on its behalf by:


W F A Kellaway - Director

The notes form part of these financial statements

SRK EXPLORATION LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2022	20,900	661,117	360,234	1,042,251
Changes in equity				
Dividends	-	(177,886)	-	(177,886)
Total comprehensive income	-	<u>263,048</u>	-	<u>263,048</u>
Balance at 31 December 2022	<u>20,900</u>	<u>746,279</u>	<u>360,234</u>	<u>1,127,413</u>
Changes in equity				
Dividends	-	(262,932)	-	(262,932)
Total comprehensive income	-	<u>885,892</u>	-	<u>885,892</u>
Balance at 31 December 2023	<u>20,900</u>	<u>1,369,239</u>	<u>360,234</u>	<u>1,750,373</u>

The notes form part of these financial statements

1. **STATUTORY INFORMATION**

SRK Exploration Services Limited is a private company, limited by shares, incorporated in Wales, in the United Kingdom. The company's registered number is 04929472 (England and Wales). The company's place of business is 12 St Andrew's Crescent, Cardiff, CF10 3DD. The registered office is 21 Gold Tops, Newport, NP20 4PG. The nature of the company's operations and principal activities are that of provision of geological exploration services to the mining industry.

The financial statements are presented in Sterling (£), the company's functional currency, and rounded to the nearest pound.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

There have been no material departures from Section 1A of Financial Reporting Standard 102.

Preparation of consolidated financial statements

The financial statements contain information about SRK Exploration Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Fixed assets are recorded at cost.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is shorter.

Short leasehold	-	over the period of the lease
Fixtures and fittings	-	15% on cost
Computer equipment	-	33% on cost

All fixed assets are stated at cost less accumulated depreciation. Cost include costs directly attributable to making the asset capable of operating as intended.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at the transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Taxation

Current tax represents the amount expected to be paid or recovered in respect of taxable profits for the year and is calculated using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

2. ACCOUNTING POLICIES - continued**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Employee benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

The benefits of lease incentives are recognised in the profit and loss account over the lease period.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 32 (2022 - 29).

4. TAXATION**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit for the year was as follows:

	2023 £	2022 £
Current tax:		
UK corporation tax	273,504	48,932
Over/(under) provision of tax	-	(20,031)
Unrelieved foreign tax	<u>39,048</u>	<u>-</u>
Total current tax	312,552	28,901
Deferred tax	<u>13,860</u>	<u>(36,095)</u>
Tax on profit	<u>326,412</u>	<u>(7,194)</u>

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 December 2023.

SRK EXPLORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

5. TANGIBLE FIXED ASSETS

	Short Leasehold £	Fixtures, fittings and equipment £	Computer equipment £	Totals £
COST				
At 1 January 2023	101,428	55,664	174,954	332,046
Additions	<u>1,085</u>	<u>37,024</u>	<u>41,104</u>	<u>79,213</u>
At 31 December 2023	<u>102,513</u>	<u>92,688</u>	<u>216,058</u>	<u>411,259</u>
DEPRECIATION				
At 1 January 2023	96,469	48,355	150,836	295,660
Charge for year	<u>2,536</u>	<u>1,726</u>	<u>18,215</u>	<u>22,477</u>
At 31 December 2023	<u>99,005</u>	<u>50,081</u>	<u>169,051</u>	<u>318,137</u>
NET BOOK VALUE				
At 31 December 2023	<u>3,508</u>	<u>42,607</u>	<u>47,007</u>	<u>93,122</u>
At 31 December 2022	<u>4,959</u>	<u>7,309</u>	<u>24,118</u>	<u>36,386</u>

6. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2023 and 31 December 2023	<u>1,270</u>
NET BOOK VALUE	
At 31 December 2023	<u>1,270</u>
At 31 December 2022	<u>1,270</u>

7. DEBTORS

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	1,534,240	1,346,135
Other debtors	55,664	119,998
VAT debtor	35,192	11,687
Foreign tax debtor	119,632	50,216
Prepayments and accrued income	<u>268,825</u>	<u>405,145</u>
	<u>2,013,553</u>	<u>1,933,181</u>
Amounts falling due after more than one year:		
Deferred tax asset	<u>-</u>	<u>7,212</u>
Aggregate amounts	<u>2,013,553</u>	<u>1,940,393</u>

SRK EXPLORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	191,222	284,002
Corporation tax	371,296	83,119
Social security and other taxes	94,631	88,964
VAT	27,176	67,534
Other creditors	2,784	16,980
Accruals and deferred income	<u>1,758,739</u>	<u>878,946</u>
	<u>2,445,848</u>	<u>1,419,545</u>

9. LEASING AGREEMENTS

Total financial commitments, guarantees and contingencies which are not included in the balance sheet amount to £132,750 (2022: £191,750) in respect of land and buildings.

10. PROVISIONS FOR LIABILITIES

	2023	2022
	£	£
Deferred tax liability	<u>6,648</u>	<u>-</u>
		Deferred tax
		£
Balance at 31 December 2022		(7,212)
Charge to Profit and loss account during the year		<u>13,860</u>
Balance at 31 December 2023		<u>6,648</u>

The deferred tax liability has arisen due to fixed and short term timing differences.

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2023	2022
Number:	Class:	Nominal value:	£	£
20,900	Ordinary	£1	<u>20,900</u>	<u>20,900</u>

12. PENSION COMMITMENTS

The company made contributions of £106,060 (2022 - £98,313) to the pension plans of employees and directors during the period. At the year end £13,566 (2022 - £28,138) contributions were outstanding.

SRK EXPLORATION LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023		2022	
	£	£	£	£
Turnover				
Professional fees		5,941,561		4,134,086
Cost of sales				
Wages	1,400,381		1,270,496	
Sub consultants	1,167,395		1,054,306	
Travel and accommodation	326,736		252,958	
Direct project costs	-		7,918	
		<u>2,894,512</u>		<u>2,585,678</u>
GROSS PROFIT		3,047,049		1,548,408
Other income				
Sundry receipts		<u>1,080</u>		<u>12,140</u>
		3,048,129		1,560,548
Expenditure				
Rent, rates and office costs	107,093		97,866	
Directors' salaries	309,823		207,842	
Directors' social security	39,939		26,413	
Directors' pension contributions	16,391		19,272	
Wages	347,298		177,190	
Pensions	89,669		36,588	
Computer expenses	4,433		6,952	
Telephone	17,915		15,864	
Post and stationery	4,760		2,776	
Advertising	22,165		6,692	
Insurance	151,750		126,695	
Repairs and renewals	18,236		9,879	
Training and conferences	13,545		221	
Healthcare costs	51,148		39,110	
Sundry expenses	91,744		74,101	
Licences	119,730		72,181	
Inoculations and visas	5,512		4,209	
Group fees	85,391		62,421	
Legal and professional fees	77,754		174,822	
Auditors' remuneration	17,040		19,720	
Foreign exchange (gains)/ losses	13,945		8,370	
Depreciation of tangible fixed assets				
Short leasehold	2,536		3,049	
Plant and machinery	1,726		1,695	
Computer equipment	20,142		11,418	
Entertainment	32,504		7,103	
Bad debts	<u>151,456</u>		<u>83,538</u>	
		<u>1,813,645</u>		<u>1,295,987</u>
		1,234,484		264,561
Finance costs				
Bank charges and interest	22,180		5,376	
Bank interest	-		2,813	
Corporation tax interest	-		518	
		<u>22,180</u>		<u>8,707</u>
NET PROFIT		<u><u>1,212,304</u></u>		<u><u>255,854</u></u>

This page does not form part of the statutory financial statements