

Company registration number 05171663 (England and Wales)

OCEAN PARTNERS HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023



OCEAN PARTNERS HOLDINGS LIMITED

COMPANY INFORMATION

Directors Siva Pillay (Chairman)
Brent Omland
Stephen Ball
Sinisa Bogicevic
Devin Burnett
Walter Cimowsky
Alan Paterson
John Foley

Secretary Chamath Kodagoda

Company number 05171663

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Auditor Ernst & Young LLP
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OCEAN PARTNERS HOLDINGS LIMITED

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OCEAN PARTNERS HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present the strategic report for the year ended 31 December 2023.

Principal activity

The group's business is to act as principal between miners and smelters around the world, in the selling of metal ores, concentrates and secondary materials, primarily copper, lead, zinc, gold and silver, with the group also being a significant blender of concentrates in multiple locations.

The parent company's business is to co-ordinate the commercial and investment activities of the companies in the group.

Fair review of the business

The group entered its twentieth year of business with a sound balance sheet and a healthy core group of customers and suppliers. The group has also continued its expansion into the low value, high volume bulk commodities such as manganese, chrome, ilmenite and iron ore and to increase its participation in minor metals.

The group's core business model has remained fairly consistent over recent years, but the industry remains one in which volumes and profitability are extremely volatile across every commodity the group sells, which can lead to significant fluctuations month on month. The group also continues to face increased competition from new entrants and existing participants looking to increase market share in the general ores and concentrate markets.

After a challenging 2022, the directors are pleased to report that the group has returned to profitability in 2023. The company's margins improved as copper markets normalised and new zinc and lead offtakes commenced early in the year. In addition to this, the directors are pleased to report that group's long term investments made further gains during the year.

The group still faces significant uncertainties, from higher interest rates to the ongoing challenges facing global shipping, the directors continue to closely monitor liquidity and its exposures to the risks which are detailed below. Notwithstanding these challenges, the directors remain optimistic that company will remain profitable through 2024.

Principal risks and uncertainties

Financial instruments of significance to the group comprise primary financial instruments (mainly cash, borrowings, debtors and creditors) and derivative financial instruments (mainly London Metal Exchange ("LME") and London Bullion Market Association ("LBMA") contracts, options and foreign exchange contracts). The main financial risks to which the group is exposed are market risk, counterparty risk, interest rate risk and liquidity risk.

Market risk is the risk that movements in metal prices or foreign exchange rates will cause fluctuations in the values of, or cash flows arising from, financial assets and liabilities, and from other contracts for the future delivery of metal. Exposures to metal price movements and foreign exchange rate fluctuations are restricted by the imposition of position limits by the board, and by the use of metal futures contracts such as those offered by the LME and LBMA, and foreign exchange contracts.

Counterparty risk is the risk that a customer or supplier will fail to fulfil their contractual obligations. Exposure to counterparty risk is reduced by use of credit control policies, which are approved centrally, including the use of credit limits, volume of business limits and the margining of customers. In addition, the group maintains a credit insurance policy for certain customers on a case by case basis.

Interest rate risk is the risk that increases or decreases in floating interest rates will adversely affect the group's performance. Exposure to interest rate risk is reduced by using short term financing dedicated to specific business and factoring interest charges into the prices it charges its customers and receives from its suppliers to cover this expense. The group's treasury department, in conjunction with its finance providers, has managed the transition away from LIBOR during 2023, with no operational or financial impact.

The risk that adequate funding is not available to the group to meet its commitments associated with financial instruments is liquidity risk. The group plans its future business in conjunction with its borrowing facilities to avoid liquidity problems, and maintains relationships with lenders to ensure facility levels, including facilities for the derivatives noted above. These are adequate and can be adjusted to address any changes in the group's requirements.

OCEAN PARTNERS HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Future developments

The concentrate market, including concentrate blending, in which the group operates is inherently volatile and competitive, and whilst it is difficult to forecast volumes and margins, the group expects markets to remain challenging as interest rates remain high. The group expects the recent stability in the spot treatment charge market to continue. It also expects the agency, bulk and strategic metals financing businesses to remain steady, which should help maintain the group's profitability. The group continues to have a sound financial position and a diversified business base and is well positioned to operate the business positively in any market conditions which will continue to be inherently volatile and challenging.

Development and performance

The key performance indicators for the last three accounting periods are as follows:

	31 December 2023 US\$'000	31 December 2022 US\$'000
Gross profit (Page 11)	91,123	43,120
Profit for the financial year (Page 11)	19,424	7,582
Staff costs (Page 25)	18,405	15,420
Average number of staff (Page 25)	129	127

For the reasons outlined in the fair review of the business above there was a significant increase in gross profit. This was offset by an increase in interest rates increasing the group's borrowing costs during the year.

Section 172(1) Statement

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.

Under the Act a director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- (a) the likely consequences of any decision in the long term,
- (b) the interests of the company's employees,
- (c) the need to foster the company's business relationships with suppliers, customers and others,
- (d) the impact of the company's operations on the community and the environment,
- (e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly, as between members of the company.

Examples of how the directors have acted in accordance with these considerations have been addressed in the company objectives as indicated, and the forms of engagement in the stakeholder section of the report below.

OCEAN PARTNERS HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

The board's primary objective remains the long-term, sustainable success of the group including an ongoing succession strategy.

Most of the board have executive roles within the organisation, primarily on the commercial side, which ensures it remains highly engaged with the day to day business, senior management and the commercial team. Regular reviews of the group's performance ensure that the group continues to move forward whilst avoiding the type of risks that can realise short term gains but threaten the very existence of the group. The board also continue to fulfil their other core duties to oversee the group's culture, governance, financial controls, risk and change management.

The group has an extensive code of conduct which establishes the fair manner in which the board expect the group's staff to engage with others both within the organisation and outside it.

The group's core values are:

- a) Customer Focused
- b) Teamwork
- c) Adaptability
- d) Adding value
- e) Creativity

Since the commencement of business, many communities have benefitted from the policy to donate a percentage of the company's profits to charitable causes each year. The staff nominate the beneficiaries ensuring a diversified and global reach.

During the year board made significant decisions including to divest the CTV holding, to sign the San Cristobel agreement and to expand blending operations in Chile, to reduce the reliance on Taiwan.

The board support the drive for sustainable business to reduce the impact on the environment as discussed further in the carbon reporting section of the directors' report.

Our people

We have 129 colleagues in our offices around the world and aim to be a company where people are energised and take the lead in all areas of the business.

Engagement with our colleagues throughout the business is vital in ensuring a more productive, efficient and low risk environment.

All our offices are open plan, which encourages openness between employees at levels of the business.

Forms of engagement

We have senior managers heading up each of the six Ocean Partners global teams and they regularly engage with team members throughout the organisation and report back to the directors where necessary.

The teams are as follows:

- Commercial
- Research
- Traffic and Administration
- Risk (inc. Hedging and IT)
- Accounting and Financial Reporting
- Treasury

The company has just undertaken its second six month consultation with staff teams, to obtain feedback to improve the company's systems and processes. This lead to improvements being made on LC document submissions and shipping schedules.

The group has appointed a new Co-CEO and a new CFO in 2023. They have taken on board the feedback from the townhall meetings held and regularly communicate the groups plans with its staff.

Outcomes

Incentive schemes are centrally controlled by the directors and, with input from senior managers, it ensures fairness throughout the company.

The company enjoys a high level of staff retention.

The staff team feedback process was considered successful, with a number of proposals integrated into a road map for the future.

OCEAN PARTNERS HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Our Counterparties

These include mines, producers, refiners, smelters, warehouses and shipping brokers. By dealing in a transparent and responsive way our counterparties trust us to be fair in our dealings leading to long term relationships which are mutually beneficial.

Forms of engagement

Strong, long term relationships are sought with our counterparties to build up trust not only between the commercial teams but also the support staff. For example the new off take agreements signed with San Cristobal Mining Inc. during 2023 secured supply for at least the next 3 years.

Outcomes

The group enjoys many excellent long-term relationships with counterparties with some going back to the birth of the company 20 years ago. Issues are resolved swiftly by amicable discussions and rarely become litigious.

The flexible approach and regular interaction means counterparties can be helped out of most challenging situations.

Our banks

There are currently 17 banks giving finance to the group and all have a strong commodity pedigree with most based in Europe.

Forms of engagement

Strong, long term, face to face relationships are pursued with our banks from CEO to junior level.

Outcomes

The group has a good reputation amongst commodity banks and is able to finance deals that other companies may not be able to, bringing additional rewards to the banks and the group,

By dealing in a transparent and responsible way, our banks trust us to return value to them at a relatively low risk.

The environment

Ocean Partners is committed to ensuring that the environmental performance of its operations meets or exceeds the legal requirements in the countries where they are located.

Forms of engagement

We use 'Rotainers' to minimise dust pollution at our Asian blending facility, as well as undertaking dredging and sampling to ensure compliance with local EPA standards.

Outcomes

As a result of the strong processes and procedures we have in place we maintain good working relationships with environmental regulators in all jurisdictions in which we operate, and the group did not incur any environment regulatory fines during the year.

Global conflicts

Without doubt the war in Ukraine has caused disruptions in most global markets. However, the group does not transact with Russia or Ukraine, so continues to operate without any direct adverse effect on the business. Upstream smelter energy costs could affect the markets in which the business operates. The war in Gaza has presented shipping challenges to traffic going through the Suez Canal, but as of yet this has not had a significant effect on the business.

On behalf of the board



Brent Omland

Director

29 May 2024

OCEAN PARTNERS HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their annual report and audited financial statements for the company and group for the year ended 31 December 2023.

Directors

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

Siva Pillay (Chairman)

Brent Omland

Stephen Ball

Sinisa Bogicevic

Devin Burnett

Walter Cimowsky

Alan Paterson

John Foley

Jeffrey Beck (Resigned 15 January 2024)

Ad van Halder (Resigned 28 February 2023)

Results

The results for the year are set out on page 11. There have been no dividends declared in the current or comparative year.

Post reporting date events

The events after the reporting date note can be found at note 29 of these financial statements. The directors are pleased to report that they are in advance discussions with debt and equity partners with regards to the infrastructure development for Shanoon Resources Limited, paving the way for this mine to go back into production.

On 9 April 2024 the group sold all of its Commodities Terminal Verbrugge shares and loans outstanding for a combined total of \$900,000.

Going concern

The directors assessment of going concern can be found at note 1.3 of these financial statements. The directors have identified the inherent uncertainty that will always exist within its business model, as it relies upon the annual renewal of its financing arrangements. The group maintains good relationships with its banks, and has not encountered any significant issues in the renewal process during its 20 year history, with facilities being renewed throughout the global financial crisis of the last 2000's and during the recent turmoil brought about by Brexit, Covid and the war in Ukraine. For this reason the directors are confident that company will have sufficient funds to continue to meet its liabilities until at least 29 May 2025 and therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

Auditor

The auditor, Ernst & Young LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

OCEAN PARTNERS HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Energy and carbon report

The board support the drive for sustainable business to reduce the impact on the environment and worked closely with one of its main banks in developing a sustainability policy that can be viewed on the group's website. The board's vision on sustainability is "to conduct our business responsibility, to the benefit of all stakeholders and with reference to relevant Sustainable Development Goals as set by the United Nations".

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

The Group engages third party companies to provide the majority of services, the largest of which is freight and logistics and so the reportable carbon usage is relatively small and limited to administrative offices within the UK. There are no UK company cars and private car usage minimal. The UK office is subject to a five year Energy Savings Opportunity Scheme (ESOS) audit and at the last review based on the 2018 calendar year, with the next report required by June 2024. The following was reported:

Electricity usage per year	64,360kWh	16,450kg CO2e
Heating and cooling	54%	
Hot water	23%	
Office equipment	17%	
Lighting	6%	

The key ratio used by the directors is CO2e per UK employee, which was estimated to be 305kg (2022 - 310kg). The office building is relatively new (<10 years) and hence the scope for savings is limited but potential 2,896kWh saving was identified in the ESOS report for a modest capital expenditure which has been taken up with the Landlord.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the group 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 auditor of the group is aware of that information.

Other matters

The group has chosen in accordance with Companies Act 2006, s.414C(11) to set out the company'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.

On behalf of the board



Brent Omland
Director
29 May 2024

OCEAN PARTNERS HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

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 and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). 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 the company and of the profit or loss of the group and the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies in accordance with Section 10 of FRS 102 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events or conditions on the group and company financial position and financial performance;
- in respect of the group and parent company financial statements, FRS 102 have been followed, 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 appropriate to presume that the company and/or the group will not continue in business.

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

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the group's website.

OCEAN PARTNERS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OCEAN PARTNERS HOLDINGS LIMITED

Opinion

We have audited the financial statements of Ocean Partners Holdings Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the Consolidated Profit and Loss Account, Group and Company Balance Sheets, Group and Company Statements of Changes in Equity, Statement of Group Cash Flows and the related notes 1 to 34, 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 FRS 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 group's and of the parent company's affairs as at 31 December 2023 and of the group's 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 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 group and the parent company's ability to continue as a going concern for a period up to 29 May 2025.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group and the parent company's ability to continue as a going concern.

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 this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

OCEAN PARTNERS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF OCEAN PARTNERS HOLDINGS LIMITED

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 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 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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, 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.

Explanation as to what extent the audit was considered 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 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:

OCEAN PARTNERS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF OCEAN PARTNERS HOLDINGS LIMITED

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and the parent company and determined that the most significant are those that relate to the reporting framework (United Kingdom Generally Accepted Accounting Practice) in conformity with the requirements of the Companies Act 2006 and Regulations 2013, the Companies (Miscellaneous Reporting) Regulations 2018 and the relevant direct and indirect tax compliance regulation in the United Kingdom.
- We understood how the group and the parent company are complying with those frameworks by enquiring with management and those charged with governance to understand the policies and procedures in place. We corroborated our enquiries through our review of Board minutes and examination of correspondence with legal authorities, as well as consideration of the results of our audit procedures..
- We assessed the susceptibility of the group and the parent company's financial statements to material misstatement, including how fraud might occur by holding regular meetings with management and those charged with governance. We also considered the programmes and policies that the group and the parent company have established to address the risk identified or that otherwise prevent, deter and detect fraud, and how management monitor those programmes and policies.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved:
 - Reading Board minutes and other correspondence and enquiries of those charged with governance around any instance of fraud, noncompliance with laws and regulations and any actual and potential litigation and claims.
 - Addressing the risk of management override of controls, performing testing of journal entries and top-side adjustments with a focus on those meeting our defined risk criteria based on our understanding of the business.
 - Addressing the fraud risk over revenue recognition for the group, agreeing revenue transactions back to source documentation, including title transfer documents, contracts and cash receipts, as applicable.
 - Challenging significant judgements and estimates made by management.
 - Reading any relevant correspondence with local tax authorities, reviewing of legal and professional expenses and communicating with the group and the parent company's advisors.

A further description of our responsibilities for the audit of the financial statements is located 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.

Ernst + Young LLP

Lynne Counsell (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

29 May 2024

OCEAN PARTNERS HOLDINGS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 US\$'000	2022 US\$'000
Turnover	3	4,136,054	3,823,662
Cost of sales		(4,044,931)	(3,780,452)
Gross profit		91,123	43,210
Administrative expenses		(38,203)	(24,913)
Operating profit	4	52,920	18,297
Share of profits of associates		-	980
Interest receivable and similar income	8	45,783	25,988
Interest payable and similar expenses	9	(76,689)	(43,202)
Other gains and losses	10	4,457	7,804
Profit before taxation		26,471	9,867
Tax on profit	11	(7,047)	(2,285)
Profit for the financial year		19,424	7,582

Profit for the financial year is all attributable to the owners of the parent company.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the company profit and loss account. During the year under review, the company made a loss after tax of \$854,000 (2022: \$169,000).

OCEAN PARTNERS HOLDINGS LIMITED

GROUP AND COMPANY BALANCE SHEETS

AS AT 31 DECEMBER 2023

		Group 2023	2022 as restated	Company 2023	2022
	Notes	US\$'000	US\$'000	US\$'000	US\$'000
Fixed assets					
Intangible assets	12	5,713	3,872	-	-
Tangible assets	13	875	1,025	-	-
Investments	14	39,980	22,785	15,617	15,617
		<u>46,568</u>	<u>27,682</u>	<u>15,617</u>	<u>15,617</u>
Current assets					
Stocks	18	804,058	635,591	-	-
Debtors falling due after more than one year	20	39,852	48,435	12,448	10,366
Debtors falling due within one year	20,34	628,182	494,293	35,973	39,351
Investments	21	10,050	10,050	-	-
Cash at bank and in hand		26,226	65,536	3,214	614
		<u>1,508,368</u>	<u>1,253,905</u>	<u>51,635</u>	<u>50,331</u>
Creditors: amounts falling due within one year	22,34	<u>(1,395,564)</u>	<u>(1,144,412)</u>	<u>(43,870)</u>	<u>(41,712)</u>
Net current assets		<u>112,804</u>	<u>109,493</u>	<u>7,765</u>	<u>8,619</u>
Total assets less current liabilities		<u>159,372</u>	<u>137,175</u>	<u>23,382</u>	<u>24,236</u>
Provisions for liabilities					
Deferred tax liability	24	<u>(4,348)</u>	<u>(1,575)</u>	<u>-</u>	<u>-</u>
Net assets		<u><u>155,024</u></u>	<u><u>135,600</u></u>	<u><u>23,382</u></u>	<u><u>24,236</u></u>
Capital and reserves					
Called up share capital	26	1	1	1	1
Share premium account		21,444	21,444	21,444	21,444
Profit and loss reserves		133,579	114,155	1,937	2,791
Total equity		<u><u>155,024</u></u>	<u><u>135,600</u></u>	<u><u>23,382</u></u>	<u><u>24,236</u></u>

The financial statements were approved by the board of directors and authorised for issue on 29 May 2024 and are signed on its behalf by:



Siva Pillay
Director

Company Registration No. 05171663

OCEAN PARTNERS HOLDINGS LIMITED

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

	Share capital US\$'000	Share premium account US\$'000	Profit and loss reserves US\$'000	Total US\$'000
Balance at 1 January 2022	1	21,444	106,573	128,018
Year ended 31 December 2022:				
Profit and total comprehensive income for the year	-	-	7,582	7,582
Balance at 31 December 2022	1	21,444	114,155	135,600
Year ended 31 December 2023:				
Profit and total comprehensive income for the year	-	-	19,424	19,424
Balance at 31 December 2023	1	21,444	133,579	155,024

OCEAN PARTNERS HOLDINGS LIMITED

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

	Share capital US\$'000	Share premium account US\$'000	Profit and loss reserves US\$'000	Total US\$'000
Balance at 1 January 2022	1	21,444	2,960	24,405
Year ended 31 December 2022:				
Loss and total comprehensive income for the year	-	-	(169)	(169)
Balance at 31 December 2022	1	21,444	2,791	24,236
Year ended 31 December 2023:				
Loss and total comprehensive income for the year	-	-	(854)	(854)
Balance at 31 December 2023	1	21,444	1,937	23,382

OCEAN PARTNERS HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

		2023	2022
	Notes	US\$'000	US\$'000
Cash flows from operating activities			
Cash (used in)/generated from operations	32	(178,737)	299,394
Income taxes paid		(5,888)	(4,156)
Net cash (used in)/generated from from operating activities		(184,625)	295,238
Investing activities			
Purchase of intangible assets		(2,120)	-
Purchase of tangible fixed assets		(361)	(784)
Proceeds from disposal of tangible fixed assets		22	-
Purchase of investments		(9,633)	(4,042)
Proceeds from disposal of investments		611	554
Interest received		45,783	25,988
Net cash generated from investing activities		34,302	21,716
Financing activities			
Increase/(decrease) in bank finance		187,702	(245,311)
Interest paid		(76,689)	(43,202)
Dividends paid to equity shareholders		-	(1,183)
Net cash generated from/(used in) financing activities		111,013	(289,696)
Net (decrease)/increase in cash and cash equivalents		(39,310)	27,258
Cash and cash equivalents at beginning of year		65,536	38,278
Cash and cash equivalents at end of year		26,226	65,536

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Company information

Ocean Partners Holdings Limited is the parent company of a group that acts as principal between miners and smelters around the world, in the selling of metal ores, concentrates and secondary materials, primarily copper, lead zinc, gold, silver and certain bulk commodities and minor metals.

The company is a private company limited by shares and is incorporated and domiciled in England. The address of the registered office in The Pearce Building, West Street, Maidenhead, England, SL6 1RL.

1.1 Accounting convention

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared on a going concern basis, under the historical cost convention, modified to include to include certain financial instruments at fair value through profit or loss. The principal accounting policies adopted are set out below. These policies have been consistently applied to both years presented, unless otherwise stated.

Basis of preparation

The company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the company profit and loss account and cashflow statement.

1.2 Basis of consolidation

The group consolidated financial statements include the financial statements of the parent company and of its consolidated subsidiary undertakings together with the group's share of the results of associates and joint ventures, made up to 31 December 2023.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which gives it control of the financial and operating policies of the entity it accounts for that entity as a subsidiary.

All subsidiaries are consolidated into the group consolidated financial statements from the date of acquisition, being the date when the group obtains control and are consolidated until the date that such control ceases, apart from this subsidiaries held exclusively with a view to subsequent resale, which are not consolidated as specified by paragraph 9.9 (b) of FRS 102.

Where a subsidiary has different accounting policies to the group, adjustments are made to these subsidiary financial statements to apply the group's accounting policies when preparing the consolidated financial statements.

A joint venture is the contractually agreed sharing of control over an economic entity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. The results of the joint ventures are accounted for using equity method of accounting.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the group holds a long-term interest and where the group has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate. The results of associates are accounted for using the equity method of accounting.

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.3 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have assessed that they have, at the time of approving the financial statements, a reasonable expectation that the group has adequate resources to continue in operation until at least 29 May 2025. At the balance sheet date, the group has net current asset of \$113 million, including cash and cash equivalents of \$26 million. At the date the accounts were approved trade bank facilities totalled \$1.46 billion, meaning the company had further financing facilities available of \$346 million.

In their assessment, the directors have considered the group's financial and operational position and in particular credit risk, liquidity, and covenants, as at the date of signing the financial statements and for the next 12 months. In the assessment of credit contract performance risk, the directors have considered the credit risk management policy as described in the Strategic Report, which aims to reduce credit exposure through confirmed letters of credit, document collection, collateral and insurance agreements, will continue throughout the assessment period.

As part of this assessment, the directors have considered reasonable possible downsides, including the potential impact from the economic disruptions expected due to the on-going conflicts in Ukraine and Gaza. The group does not do business in Russia or Ukraine, so is not immediately impacted by this conflict, and its policies over market price risk, and the resulting hedging arrangement it has in place, means it is protecting itself from any future price volatility in the markets which it operates.

Therefore, the directors are confident that the group will have sufficient funds to continue to meet liabilities until at least 29 May 2025 and therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

1.4 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of any discounts and rebates allowed by the group and value added taxes.

The group recognises turnover when:

- the significant risks and rewards of ownership have been transferred to the buyer;
- the group retains no continuing involvement or control over the goods;
- the amount of revenue can be measured reliably
- it is probable that future economic benefits will flow to the group; and
- when the specific criteria relating to each of the group's sales channels have been met, as described below.

Sale of goods

Revenue from the sale of goods is recognised when the group has transferred to the customer significant risks and rewards of the concentrates. In most instances this is recognised once the product is despatched to the destination specified by the customer and the bill of lading has been released.

For certain concentrates, the sales price is determined on a provisional basis at the date of sale, with assays and weights being estimated and confirmed within 90 days of delivery by official assayers. The final selling price is subject to movements in market prices up to the date of the final pricing, normally ranging from 30 to 90 days after initial delivery. Once assays and prices are known a final invoice is raised for the difference between the final and provisional values. At each reporting period end any open contracts are reviewed and recalculated based on published markets prices and the most recently available assay results.

Commission income

The group from time to time provides services on a consultancy basis. Turnover is recognised in the accounting period in which the services are rendered when the outcome of the contract can be estimated readily and this is included within turnover in the profit and loss account.

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Interest income

Interest income is recognised using the effective interest rate method when the right to receive interest has been established and it is probable that the economic benefits will flow to the group.

1.5 Intangible fixed assets other than goodwill

Offtake agreements that are purchased from third parties and computer software are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Amortisation is recognised in administrative expenses on a straight line basis over their estimated useful lives, with the amortisation period beginning when the asset comes into use. The useful economic lives of intangible assets are as follows:

Computer software	3-5 years, starting from the date the asset is in full working condition
Offtake agreements	over the duration of the contract

Where software is developed internally, it is only capitalised when a future economic benefit to the group is likely to arise from its use.

1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price and amounts directly attributable in bringing the asset to its working conditions for its intended use.

Depreciation is provided on all tangible assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Mineral properties, buildings, land & leasehold additions	3-15 years
Fixtures and fittings	3-5 years
Computer equipment	3-5 years
Motor vehicles	3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account, in the year of disposal.

1.7 Fixed asset investments

In the parent company's individual balance sheet, interest in subsidiaries, joint ventures and associates are initially measured at cost and subsequently measured at cost less accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, unless they are not publicly traded or their fair values cannot be measured reliably, in which case they are measured at cost less impairment.

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Subsidiaries held with a view to resale, as defined by Section 9.9(b) of FRS102, are measured fair value with changes in fair value recognised in profit and loss and classified as current assets.

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss recognised for intangible assets, with the exception of goodwill, is reversed in a subsequent period when the reasons for which the impairment was made have ceased to apply. Impairments relating to goodwill is never reversed.

1.9 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition. When stock is provisionally invoiced by a supplier, prices, assays and weights are estimated at the date of delivery. At the year end the cost of any stock still provisionally invoiced is adjusted to reflect the most recently available assay and market prices.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

1.11 Financial instruments

The group has chosen to adopt the provisions of Sections 11 and 12 of FRS 102 in respect of financial instruments.

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets other than equity investments, including debtors (other than corporation tax receivable) and cash at bank in hand, are initially recognised at transactions price, unless the arrangement constitutes a financing transactions, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

Included within this category of asset is Collateral held at brokers. These balances arise from cash that the Group pays to the LME brokers to be held as security to manage against initial and variation margins. As there is no legally enforceable right of offset in all relevant circumstances, collaterals held at brokers and derivative financial instruments are presented gross.

Short term trade and other receivables with no stated interest rate which are receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in administrative expenses.

Trade debtors

Trade debtors include: balances with customers or suppliers where the full sales or purchase value less amounts paid on account gives rise to a receivable; amounts paid to suppliers for stock purchases where short-term timing differences result in title transferring to the group soon after the year end; and amounts charged to customers and suppliers for services and interest where these are contractually due.

Supplier advances

Supplier advances are amounts paid to suppliers under advance or loan agreements which will be settled against the delivery of stock in a future accounting period.

Financial assets measured at fair value

Derivative financial instruments are not basic financial instruments. The group uses commodity futures and option contracts to reduce exposure to metal prices and foreign exchange rates. Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through profit or loss. Fair value is calculated by reference to published market exchange rates and commodity prices. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Gold loan debt, that is repayable in equal fixed monthly instalments of gold have contractual terms that introduce exposure to unrelated risks to the debt instrument and are not considered basic financial instruments. This is initially measured at fair value on the date on which the contract is entered into and subsequently measured at fair value through profit or loss, calculated by reference to the published gold price and future discounted cash flows that reflect future inflation estimates and credit risk.

Convertible loan arrangements are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, based on prevailing market prices.

Impairment of financial assets

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. the reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised.

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised when:

- the contractual rights to the cash flows from the asset expire or are settled, or
- substantially all risks and rewards of the ownership of the asset are transferred to another party, or
- control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and amounts owed to group undertakings are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and recognised over the period of the facility to which it relates.

Trade creditors

Trade creditors include: balances with customers or suppliers where the full sales or purchase value less amounts paid on account gives rise to a payable; amounts paid by customers for sales where short-term timing differences result in title transferring from the group soon after the year end; and amounts charged by customers and suppliers for services and interest where these are contractually due.

Derecognition of financial liabilities

Financial liabilities are derecognised when the liability is extinguished; that is when the contractual obligation is discharged, cancelled or has expired.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivative instruments utilised by the group are option, forward and future metal contracts as well as forward and future foreign currency contracts. The group does not currently apply hedge accounting rules, however such instruments are used for hedging purposes to alter the risk profile of the group's underlying exposure in line with the group's risk management policies. The group does not hold or issue derivative financial instruments for speculative purposes.

For a forward or future contract to be treated as a hedge the instrument must be related to physical contracts. It must involve the same or similar quantities and time periods as the hedged item and must also reduce the risk of price movements on the company's operations. Gains and losses arising on these contracts are only recognised in the profit and loss accounts at the same time as the underlying hedged transaction.

If an instrument ceases to be accounted for as a hedge, the instrument is marked and any resulting profit or loss is recognised at that time.

1.12 Equity instruments

Ordinary shares are classified as equity.

Dividends and other distributions to the company's members are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved. These amounts are recognised in the statements of changes in equity.

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.13 Taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In these cases, tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is the amounts of corporation tax payable or repayable in respect of the taxable profits or loss for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is 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 tax authority.

1.14 Employee benefits

The group provides a range of benefits to employees, including annual bonus arrangements, paid holiday entitlement and defined contribution pension plans.

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period during which the service is received.

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid, the group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals on the balance sheet. The assets of the plan are held separately from the group in an independently administered fund.

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.15 Foreign exchange

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 US\$000.

Foreign currency transactions are translated into the functional currency using the spot exchange rate at the date of the transaction.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transactions, and non-monetary items measured at fair value are translated using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions, and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the profit and loss account.

1.16 Related party transactions

The group discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the group's financial statements.

1.17 Operating leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to carrying amount of assets and liabilities within the next financial year are addressed below.

Stock

For certain stock lines, where the purchase price is determined on a provisional basis, the final price is subject to movements in market prices up to the date of the final pricing. It is also subject to changes in the final assay results of the materials purchased. At each reporting period end any open contracts are reviewed and recalculated based on published market prices and the most recently available assay results. This is then compared to the net realisable value to estimate any stock provisions required.

Open contracts

For certain sales and purchase contracts, where the price is determined on a provisional basis, the final price is subject to movements in market prices up to the date of the final pricing. It is also subject to changes in the final assay results of the materials. At each reporting period end any open contracts are reviewed and recalculated based on published market prices and the most recently available assay results.

Impairment of assets

The group makes an estimate on the recoverable value of other debtors and investments. When assuming impairment of other debtors and investments, management considered factors including the current credit rating of the debtor, the ageing profile of the debtor and the historical experience. No additional impairments have been recognised against investments during the year.

Fair value assessments

The group has certain investments that are not traded on public markets, including the subsidiary held with the view to resale, convertible loans and loans repayable in gold. The fair value calculations are made based on published market prices of similar securities or transactions.

3 Turnover

In the opinion of the directors, it would be seriously prejudicial to the business of the group to disclose the geographical spread of turnover.

	2023 US\$'000	2022 US\$'000
Turnover analysed by class of business		
Sale of goods	4,128,353	3,816,815
Commissions and other income receivable	7,701	6,847
	<u>4,136,054</u>	<u>3,823,662</u>

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

4 Operating profit

	2023 US\$'000	2022 US\$'000
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(696)	640
Depreciation of tangible fixed assets	480	310
Loss on disposal of tangible fixed assets	9	341
Amortisation of intangible assets	279	280
Operating lease charges	554	486
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2023 US\$'000	2022 US\$'000
Fees payable to the company's auditor:		
For audit services		
Audit of the financial statements of the group and company	115	105
Audit of the financial statements of the company's subsidiaries	715	655
	<u> </u>	<u> </u>
	830	760
	<u> </u>	<u> </u>

No other fees were paid to the auditors.

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
Commercial	25	26	-	-
Administrative	53	50	-	-
Financial	51	51	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	129	127	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	Group 2023 US\$'000	2022 US\$'000	Company 2023 US\$'000	2022 US\$'000
Wages and salaries	15,946	13,329	-	-
Social security costs	1,537	1,247	-	-
Pension costs	922	844	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	18,405	15,420	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

7 Directors' remuneration

	2023 US\$'000	2022 US\$'000
Remuneration for qualifying services	6,323	1,936
Company pension contributions to defined contribution schemes	194	210
	<u>6,517</u>	<u>2,146</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2023 US\$'000	2022 US\$'000
Remuneration for qualifying services	1,518	375
Company pension contributions to defined contribution schemes	31	52
	<u>1,549</u>	<u>427</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 6 (2022: 6).

The company did not pay any director's remuneration, including director's fees, during the year or prior year. All directors remuneration is paid by subsidiary companies.

8 Interest receivable and similar income

	2023 US\$'000	2022 US\$'000
Interest income		
Interest on bank deposits	53	131
Other interest income	45,730	25,857
	<u>45,783</u>	<u>25,988</u>

Other interest income includes interest earned on advances to suppliers and provisional payments made to suppliers.

9 Interest payable and similar expenses

	2023 US\$'000	2022 US\$'000
Interest on financial liabilities measured at amortised cost:		
Interest on short term bank loans	70,899	37,831
Interest on other loans	5,790	5,371
	<u>76,689</u>	<u>43,202</u>

Other interest includes interest paid on provisional payments received from customers.

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Other gains and losses

	2023 US\$'000	2022 US\$'000
Changes in value of assets held at fair value through profit or loss	7,427	7,087
Gain on disposal of financial assets held at fair value through profit or loss	-	717
Amounts written off financial assets held at cost	(2,970)	-
	<u>4,457</u>	<u>7,804</u>

All amounts written off financial assets held at cost were against balances owed by related parties.

11 Taxation

	2023 US\$'000	2022 US\$'000
Current tax		
UK corporation tax on profits for the current period	(106)	(1,270)
Adjustments in respect of prior periods	1,270	-
Total UK current tax	<u>1,164</u>	<u>(1,270)</u>
Foreign current tax on profits for the current period	5,048	1,061
Total current tax	<u>6,212</u>	<u>(209)</u>
Deferred tax		
Origination and reversal of timing differences	835	2,494
Total tax charge	<u>7,047</u>	<u>2,285</u>

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

11 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 US\$'000	2022 US\$'000
Profit before taxation	26,471	9,867
Expected tax charge based on the standard rate of corporation tax in the UK of 23.50% (2022: 19.00%)	6,221	1,875
Tax effect of expenses that are not deductible in determining taxable profit	1,167	40
Tax effect of income not taxable in determining taxable profit	-	(186)
Tax effect of utilisation of tax losses not previously recognised	(278)	(372)
Effect of overseas tax rates	(161)	236
Under provided in prior years	-	472
Deferred tax adjustments in respect of prior years	-	(72)
Difference in current and deferred tax rates	98	292
Taxation charge	7,047	2,285

12 Intangible fixed assets

Group	Goodwill US\$'000	Computer software US\$'000	Offtake agreements US\$'000	Total US\$'000
Cost				
At 1 January 2023	2,437	2,265	3,000	7,702
Additions	-	-	2,120	2,120
At 31 December 2023	2,437	2,265	5,120	9,822
Amortisation and impairment				
At 1 January 2023	2,437	1,393	-	3,830
Amortisation charged for the year	-	279	-	279
At 31 December 2023	2,437	1,672	-	4,109
Carrying amount				
At 31 December 2023	-	593	5,120	5,713
At 31 December 2022	-	872	3,000	3,872

The company had no intangible fixed assets at 31 December 2023 or 31 December 2022.

The carrying value of the offtake agreements was reviewed for indicators of impairment as at 31 December 2023 and none were noted. There has been an addition during the year of \$2,120,000. The total carrying value of the offtake agreements as at 31 December 2023 was \$5,120,000 (2022: \$3,000,000).

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

13 Tangible fixed assets

Group	Mineral properties, buildings, land & leasehold additions	Fixtures and fittings	Computer equipment	Motor vehicles	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Cost					
At 1 January 2023	1,475	766	1,365	97	3,703
Additions	57	49	69	186	361
Disposals	(88)	-	(253)	-	(341)
At 31 December 2023	1,444	815	1,181	283	3,723
Depreciation and impairment					
At 1 January 2023	685	647	1,250	96	2,678
Depreciation charged in the year	333	32	88	27	480
Eliminated in respect of disposals	(63)	-	(247)	-	(310)
At 31 December 2023	955	679	1,091	123	2,848
Carrying amount					
At 31 December 2023	489	136	90	160	875
At 31 December 2022	790	119	115	1	1,025

The company had no tangible fixed assets at 31 December 2023 or 31 December 2022.

14 Fixed asset investments

	Notes	Group 2023 US\$'000	2022 US\$'000	Company 2023 US\$'000	2022 US\$'000
Investments in subsidiaries	16	-	-	14,617	14,617
Investments in associates	15	6,133	2,980	1,000	1,000
Investments in joint ventures	17	900	-	-	-
Listed investments		9,242	6,468	-	-
Unlisted investments		23,705	13,337	-	-
		39,980	22,785	15,617	15,617

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

14 Fixed asset investments

(Continued)

Movements in fixed asset investments

Group	Shares in associates and joint ventures US\$'000	Other investments US\$'000	Total US\$'000
Cost or valuation			
At 1 January 2023	3,541	24,355	27,896
Additions	-	9,633	9,633
Valuation changes***	339	7,274	7,613
Transfers**	751	(3,154)	(2,403)
Disposals	-	(611)	(611)
At 31 December 2023	4,631	37,497	42,128
Impairment			
At 1 January 2023	561	4,550	5,111
Impairment losses reversed*	(561)	-	(561)
Transfers	(2,402)	-	(2,402)
At 31 December 2023	(2,402)	4,550	2,148
Carrying amount			
At 31 December 2023	7,033	32,947	39,980
At 31 December 2022	2,980	19,805	22,785

*Included in the above are joint ventures with total carrying values of \$900,000 (2022: \$nil). See note 29 for further information on this joint venture. The fair value of the joint ventures are considered by the directors to be the same as the carrying value.

**See note 15 for further information on the transfer.

***On 13 February 2023 San Cristobal Mining Inc. completed the acquisition of Minera San Cristobal SA and all of its associated assets from Sumitomo Corporation. Ocean Partners UK Limited entered into agreements to facilitate funding for the transaction and future working capital needs, as well entering into an offtake agreement with the mine. Ocean Partners UK Limited was granted warrants at that time which have been fair valued at the year end using valuations prepared by an investment bank.

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

14 Fixed asset investments

(Continued)

Movements in fixed asset investments Company

Shares in
subsidiaries
and
associates
US\$'000

Cost or valuation

At 1 January 2023 and 31 December 2023

15,617

Carrying amount

At 31 December 2023

15,617

At 31 December 2022

15,617

15 Associates

Details of associates at 31 December 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Mazule Holdings (pty) Ltd	1	Commodity sales	Ordinary Shares	23
Alchemy Capital Holdings Ltd	2	Commodity sales	Ordinary Shares	23
Fujax Group Limited	3	Commodity sales	Ordinary Shares	20
Doré Copper Mining Corp.	4	Mining	Ordinary Shares	28

Registered office addresses:

- 1 Office 301, Vineyard Centre, 10 Vineyard Road, Claremont, Cape Town, 7708, RSA
- 2 Lemuel House, 12 Morcellement Boucan Road, Phoenix, Mauritius
- 3 Island Studios, 22 St. Peters Square, London, England, W6 9NW
- 4 130 King Street West, Suite 1900, Toronto, Ontario, M5X 1E3

On the 28 December 2023 the group purchased an additional 7% of the share capital of Doré Copper Mining Corp ("Doré"), taking its total holding over 20%, making Doré an associate. The investment was previously held at fair value, with the fair value movements having been recorded in profit and loss. At the point of time significance influence was obtained, Doré was recognised at cost, which was equivalent to the fair value of the held interest at that date.

16 Subsidiaries

Details of the company's subsidiaries at 31 December 2023 are as follows:

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

16 Subsidiaries

(Continued)

Name of undertaking	Register ed office	Nature of business	Class of shares held	% Held Direct
Ocean Partners UK Ltd.	1	Commodity sales	Ordinary Shares	100.00
Ocean Partners UK Trading Ltd.	1	Commodity sales	Ordinary Shares	100.00
Chemin Trading UK Limited *	1	Commodity sales	Ordinary Shares	100.00
MK Metal Trading Holding II, S. A. P. I. de C. V.	1	Holding company	Ordinary Shares	100.00
Ocean Partners USA, Inc.	2	Commodity sales	Ordinary Shares	100.00
Ocean Partners Canada Ltd.	3	Commodity sales	Ordinary Shares	100.00
OPH Cyprus Ltd.	4	Commodity sales	Ordinary Shares	100.00
Ocean Partners Peru S. A. C. *	5	Commodity sales	Ordinary Shares	100.00
MK Metal Resources, S. A. C. *	5	Payroll services	Ordinary Shares	100.00
MK Metal Trading Peru, S. A. C. *	5	Commodity sales	Ordinary Shares	100.00
APN Tech, S. A. C. *	5	Financing	Ordinary Shares	100.00
MK Metal Basis, S. A. C. *	5	Commodity sales	Ordinary Shares	100.00
Trading Partners Peru S. A. C. 8	5	Commodity sales	Ordinary Shares	100.00
Ocean Partners Australia Pty Ltd.	6	Commodity sales	Ordinary Shares	100.00
BHS Logistics B. V. *	7	Commodity sales	Ordinary Shares	100.00
Ocean Partners Mexico, S. A. de C.V.	8	Dormant	Ordinary Shares	100.00
MK Metal Trading Mexico, S. A. de C.V. *	8	Commodity sales	Ordinary Shares	100.00
MK Metal Trading GmbH *	9	Commodity sales	Ordinary Shares	100.00
Ocean Partners Chile SpA	10	Commodity sales	Ordinary Shares	100.00
Shanoon Resources Ltd**	11	Mining	Ordinary Shares	58.00
Erris Zinc Ltd**	12	Mining	Ordinary Shares	100.00

* Investment held indirectly / ** Subsidiary held with a view to resale

Registered office addresses:

- 1 The Perce Building, West Street, Maidenhead, SL6 1RL, United Kingdom
- 2 43 Danbury Road, Wilton CT 06897, USA
- 3 70 Fairside Avenue, Toronto, Ontario, M4C 3H2
- 4 36 Galaxias Building. 5th Floor, Flat 502, 1061 Nicosia, Cyprus
- 5 Avenida el Derby No. 254 oficina 2402, Santiago de Surco. Lima 33 -Peru
- 6 7 Lerwick Avenue, Hazelwood Park, SA 5066, Australia
- 7 Atrium Building, 8th Floor, Strawinskylaan 3127, 8e verdieping, 1077ZX Amsterdam, Netherlands
- 8 Ejercito Nacional Mexicano 769, Col, Granada, Mexico, 11560
- 9 Riedstrasse 7 6330 Cham, Zug. P.O. Box 961, Switzerland
- 10 Avenida Americo Vespucio Sur 80 p 11, Santiago, Chile
- 11 New Work Junction, Dublin Rd, Kilkenny, Ireland
- 12 18 Kings Hill, Westport, Co. Mayo, Ireland

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

16 Subsidiaries

(Continued)

As disclosed in note 27, the company's subsidiaries have taken advantage of the exemption available under Section 479A of the Companies Act 2006 in respect of the requirement for audit. As a condition of the exemption, the company has guaranteed the year-end liabilities of the relevant subsidiaries until they are settled in full. The liabilities of the subsidiaries at the year-end (excluding amounts owed to parent) was as follows:

• Chemin Trading UK Limited	- \$151,000
• Ocean Partners UK Trading Limited	- \$62,000

17 Joint ventures

Details of joint ventures at 31 December 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Interest held	% Held Direct
Chemin Trading Pty Limited *	1	Commodity sales	Ordinary Shares	50.00
Commodities Terminal	2	Warehousing	Ordinary Shares	50.00
Verbrugge BV (Netherlands)				

Registered office addresses:

- 1 1919 Loerie Lan, Eye of Africa, Elkenhof, Gauteng, 1872
- 2 Engelandweg 12, Ritthem, 4389PC, Netherlands

18 Stocks

	Group 2023 US\$'000	2022 US\$'000	Company 2023 US\$'000	2022 US\$'000
Metal ores and concentrates	804,058	635,591	-	-

19 Financial instruments

	Group 2023 US\$'000	2022 as restated US\$'000	Company 2023 US\$'000	2022 as restated US\$'000
Carrying amount of financial assets measured at fair value through profit or loss				
Gold loan debtors	11,918	-	-	-
Subsidiary held with the view to resale	10,500	10,500	-	-
Derivatives metal contracts	25,422	29,219	-	-
	47,860	39,719	-	-
Carrying amount of financial liabilities measured at fair value through profit or loss				
Derivatives metal contracts	52,279	85,680	-	-

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

19 Financial instruments

(Continued)

Derivative financial instruments

The group enters into LME and LBMA futures contracts to mitigate the commodity price risk of its physical concentrates. The group only purchases futures as a hedging mechanism for physical concentrates and never as a speculative trading platform.

The fair value of the futures contracts is calculated as the difference between the strike price of the contract and the spot price of the metal based on the LME and LBMA price at the year end.

Gold loan

The group has \$7,500,000 gold loan debt, that is repayable in equal fixed monthly instalments of gold totalling approximately 191 troy ounces per month for a period of 30 months, following a six-month grace period. The requirement to deliver gold ounces have contractual terms that introduce exposure to unrelated risks to the debt instrument and are not considered basic financial instruments. This is initially measured at fair value on the date on which the contract is entered into and subsequently measured at fair value through profit or loss, calculated by reference to the published gold price and future discounted cash flows that reflect future inflation estimates and credit risk.

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

20 Debtors

	Group 2023	2022 as restated	Company 2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Amounts falling due within one year:				
Trade debtors	332,741	239,847	-	-
Corporation tax recoverable	10,157	7,394	153	6
Amounts owed by group undertakings	-	-	35,811	39,333
Amount due from joint venture	62	246	-	-
Loans measured at fair value	11,918	-	-	-
Derivative financial instruments	25,892	29,219	-	-
Amounts due from subsidiaries held with a view to resale	8,340	-	-	-
Convertible loans due from subsidiaries held with a view to resale	7,845	7,777	-	-
Convertible loans	875	-	-	-
Other debtors	33,341	17,130	9	12
Supplier advances	127,164	102,893	-	-
Collateral owed by brokers	62,503	84,648	-	-
Prepayments and accrued income	2,853	2,586	-	-
	<u>623,691</u>	<u>491,740</u>	<u>35,973</u>	<u>39,351</u>
Deferred tax asset (note 24)	4,491	2,553	-	-
	<u>628,182</u>	<u>494,293</u>	<u>35,973</u>	<u>39,351</u>
Amounts falling due after more than one year:				
Supplier advances	2,910	4,531	-	-
Amounts due from subsidiaries held with a view to resale	-	5,925	-	-
Amount due from joint venture	-	742	-	-
Shareholder loans	27,722	25,065	11,530	8,811
Other debtors	9,220	12,172	918	1,555
	<u>39,852</u>	<u>48,435</u>	<u>12,448</u>	<u>10,366</u>
Total debtors	<u>668,034</u>	<u>542,728</u>	<u>48,421</u>	<u>49,717</u>

See note 21 for further information on Convertible loans due from subsidiaries held with a view to resale.

Other debtors falling due after more than one year consist of loan notes receivable from commercial counterparties which have a maturity date of more than 12 months from the balance sheet date.

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

21 Current asset investments

	Group 2023 US\$'000	2022 US\$'000	Company 2023 US\$'000	2022 US\$'000
Subsidiaries held with a view to resale	10,050	10,050	-	-

The investment above relates to Shanoon Resources Ltd (SRL). In October 2022 the group acquired 13% of the issued capital of SRL, taking the total shareholding owned to 58% and making it a subsidiary. However, this interest has been acquired exclusively with the view to dispose, with a new investor being actively sought, and thus management reasonably expected to lose control within the next 12 months. Delays in the grant of the EPA licence, due to a lack of resources in the government department, resulted in a delay to the new investor coming on board. Assurances have now been received that the licence is being prioritised and we are confident that the sale will go through this year.

In October 2022 there was a convertible loan granted to Shanoon, exercised at the group's discretion, and an agreement in place which will dilute the group's shareholding back down to 44%, hence this investment has been recognised under section 9.9(b) of FRS 102 as a subsidiary held with a view to resale. These have been measured at fair value with changes in fair value recognised in profit and loss and classified as current assets.

22 Creditors: amounts falling due within one year

		Group 2023 US\$'000	2022 as restated US\$'000	Company 2023 US\$'000	2022 US\$'000
	Notes				
Loans	23	1,001,702	814,000	-	-
Trade creditors		287,341	216,489	-	-
Amounts owed to group undertakings		-	-	16,921	24,351
Corporation tax payable		3,901	814	-	-
Derivative financial instruments		52,279	85,680	-	-
Other creditors		28,886	19,851	26,635	17,103
Accruals and deferred income		21,455	7,578	314	258
		1,395,564	1,144,412	43,870	41,712

Accruals and deferred income includes profit related bonus payments and deferred interest receivable on loans.

23 Loans and overdrafts

	Group 2023 US\$'000	2022 US\$'000	Company 2023 US\$'000	2022 US\$'000
Bank finance loans payable within one year	1,001,702	814,000	-	-

At the year end the group had short term borrowings amounting to \$1,001,702,000 (2022: \$814,000,000). The group uses short-term borrowings to finance specific material purchase contracts. The loans are generally secured on the value of the future delivery obligations or underlying material already purchased and bear commercial rates of interest individually agreed with each finance provider. The loans are generally repayable on the subsequent sale of the materials.

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

24 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2023 US\$'000	Liabilities 2022 US\$'000	Assets 2023 US\$'000	Assets 2022 US\$'000
Accelerated capital allowances	12	-	(51)	-
Tax losses	-	-	-	(760)
Revaluation of investments	6,319	4,011	582	352
Accrued bonuses and expenses	-	-	3,937	-
Investments	(1,800)	(2,243)	-	-
Other timing differences	(183)	(193)	23	2,961
	<u>4,348</u>	<u>1,575</u>	<u>4,491</u>	<u>2,553</u>

The company has no deferred tax assets or liabilities.

	Group 2023 US\$'000	Company 2023 US\$'000
Movements in the year:		
Asset at 1 January 2023	(978)	-
Charge to profit or loss	835	-
Asset at 31 December 2023	<u>(143)</u>	<u>-</u>

Deferred tax is provided at the various rates substantially enacted in the relevant jurisdictions.

25 Retirement benefit schemes

Defined contribution schemes	2023 US\$'000	2022 US\$'000
Charge to profit or loss in respect of defined contribution schemes	<u>922</u>	<u>844</u>

The group operates defined contribution pension schemes for all qualifying employees. The assets of the schemes are held separately from those of the group in independently administered funds.

26 Share capital

Group and company	2023 Number	2022 Number	2023 US\$'000	2022 US\$'000
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	<u>822</u>	<u>822</u>	<u>1</u>	<u>1</u>

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

27 Financial commitments, guarantees and contingent liabilities

The parent company is a guarantor of borrowing facilities utilised by other members of the group. In total the parent company is either a participant or guarantor of facilities totalling \$1,462,500,000 (2022: \$1,355,000,000).

The company has guaranteed the liabilities of its subsidiaries Chemin Trading UK Limited and Ocean Partners UK Trading Limited in order that they qualify for the exemption from audit under Section 479A of the Companies Act 2006 in respect of the year ended 31 December 2023, as disclosed in note 16.

28 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Within one year	507	458	-	-
Between two and five years	1,365	1,354	-	-
	<u>1,872</u>	<u>1,812</u>	<u>-</u>	<u>-</u>

29 Events after the reporting date

Although the expected share issue had not occurred at the date of approval of the accounts, the directors note the expected dilution of their holding in Shanoon Resources Limited as disclosed in note 21.

On 9 April 2024 the group sold all of its Commodities Terminal Verbrugge shares and loans outstanding for a combined total of \$900,000.

30 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023	2022
	US\$'000	US\$'000
Aggregate compensation	<u>12,726</u>	<u>5,778</u>

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

30 Related party transactions

(Continued)

	Sales \$'000	Purchases \$'000	Interest received/ (payable) \$'000	Amounts owed from/(to) \$'000
2023				
Entities over which the group has joint control or significant influence:	232,540	254,679	4,988	38,219
Directors' debtor balances	-	-	311	10,351
Companies controlled by management personnel of the entity or its parent:	-	63	-	-
Directors' creditor balances	-	-	(1,436)	(20,607)
Other related parties:	-	-	255	-

	Sales \$'000	Purchases \$'000	Interest received/ (payable) \$'000	Amounts owed from/(to) \$'000
2022				
Entities over which the group has joint control or significant influence:	88,946	218,544	481	19,090
Directors' debtor balances	-	-	268	8,152
Companies controlled by management personnel of the entity or its parent:	-	83	-	-
Directors' creditor balances	-	-	(1,079)	(17,076)
Other related parties:	-	-	176	3,816

31 Controlling party

There is no overall controlling party.

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

32 Cash (absorbed by)/generated from group operations

	2023 US\$'000	2022 US\$'000
Profit for the year after tax	19,424	7,582
Adjustments for:		
Taxation charged	7,047	2,285
Finance costs	76,689	43,202
Investment income	(45,783)	(25,988)
Loss on disposal of tangible fixed assets	9	341
Movement in derivatives	(41,992)	-
Amortisation and impairment of intangible assets	279	280
Depreciation and impairment of tangible fixed assets	480	310
Other gains and losses	(7,427)	(7,804)
Movements in working capital:		
(Increase)/decrease in stocks	(168,467)	353,712
Increase in debtors	(112,014)	(54,260)
Increase/(decrease) in creditors	93,018	(20,266)
Cash (absorbed by)/generated from operations	(178,737)	299,394

33 Analysis of changes in net debt - group

	1 January 2023 US\$'000	Cash flows US\$'000	31 December 2023 US\$'000
Cash at bank and in hand	65,536	(39,310)	26,226
Borrowings excluding overdrafts	(814,000)	(187,702)	(1,001,702)
	(748,464)	(227,012)	(975,476)

34 Prior period adjustment

Derivatives financial instruments balances were previously presented net at year end under Creditors: amount falling due within one year. Trade Debtors and Trade Creditors were previously presented net at year end under Debtors: amount falling due within one year and Creditors: amount falling due within one year.

In accordance with the netting requirements under section 11.38A of FRS 102, it was determined that these balances should have been presented gross on the balance sheet to reflect the gross settlement as per contract terms and intention to settle.

In accordance with section 10 of FRS 102, prior period errors should be adjusted retrospectively. Therefore, the comparatives have been adjusted to present these balances gross. The adjustment does not have any impact on the total reserves, net assets and profits as at and for the year end 31 December 2022. The impact of the prior year adjustments on the individual balance sheet line items is presented below:

OCEAN PARTNERS HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

34 Prior period adjustment

(Continued)

Balance Sheet	2022 (As reported) US\$'000	Adjustment US\$'000	2022 (As restated) US\$'000
Derivative financial instruments - Debtors	-	29,219	29,219
Derivative financial instruments - Creditors	(56,461)	(29,219)	(85,680)
Trade Debtors	223,988	15,859	239,847
Trade Creditors	(200,630)	(15,859)	(216,489)
	<u> </u>	<u> </u>	<u> </u>