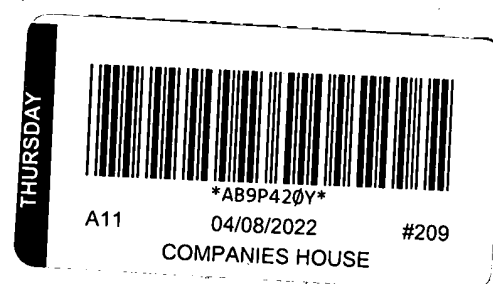


Annual Report and Financial Statements

For the year ended 31 December 2021

Company Registration no. 1459469



CCBI Global Markets (UK) Limited

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CCBI Global Markets (UK) Limited

Directors' Report

The directors present their Annual Report, together with the audited financial statements of CCBI Global Markets (UK) Limited ("the Company"), for the year ended 31st December 2021.

The Strategic Report on page 5 contains details of the principal activities of the Company and provides information on the future developments of the Company's business.

The financial risk management objectives and policies are detailed in Note 21.

Going Concern Statement

The Company is expected to continue to have access to adequate funding for the foreseeable future.

The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern or its ability to continue within its current banking arrangements.

The assessment of going concern is detailed in the Strategic Report. On the basis of their assessment of the Company's financial position, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future and for at least 12 months from the date of the approval of the balance sheet. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Directors and their interests

The directors of the Company who were in office during the year and up to the date of signing of the financial statements were:

Directors

Mr Shoujian Liu	Chairman and Non-Executive Director
Mr Chi Pan Chan	Chief Executive Officer
Mr A W Gooch	Executive Director
Mr M G McCaig	Independent Non-Executive Director
Mr K H Fok	Non-Executive Director (appointed 20 th July 2021)
Mr J C K Leung	Non-Executive Director (resigned 1 st April 2021)
Ms K Wang	Non-Executive Director

None of the directors had any interests in the Company, as defined by the Companies Act 2006.

Directors' Indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnities were and are in force as at the date of this report and during the relevant financial year.

Dividends

The directors have not recommended the payment of an ordinary dividend for the year ended 31st December 2021 (2020: \$nil).

CCBI Global Markets (UK) Limited

Directors' Report (continued)

Regulatory Disclosures

The Company's regulatory disclosures, as required by FCA regulations and Part 8 of the Capital Requirements Regulation, can be found on the Company's website, www.ccbintl.co.uk

Independent Auditors

This statement is made and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006 ☐

Each of the persons who is a director at the date of approval of this report confirm that ☐

- So far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- Each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By Order of the Board



Mr Chi Pan Chan (Director)
21st April 2022

CCBI Global Markets (UK) Limited

Strategic Report

The directors present their strategic report for the year ended 31st December 2021.

The directors, in preparing this strategic report, have complied with the Companies Act 2006.

Principal Activities

The principal activity of the Company is metal trading. The Company is authorised and regulated by the Financial Conduct Authority (FCA) and is a Category 1 Member of The London Metal Exchange.

Business Review

The Company continues to operate as a metal broker and dealer and as a Category 1 Member of the London Metal Exchange.

Due to the outbreak of the COVID-19 pandemic, the LME open-outcry trading venue, which was temporarily closed in 2020, remained closed for part of the year 2021, eventually re-opening in September 2021. This resulted in a temporary reduction of the Company's LME execution only business during this time. The pandemic also caused some delay in the onboarding of new clients and therefore slowed the rate of growth of its customer numbers during the year.

At the beginning of 2021, the UK left the EU. The company did not have significant business with European companies, and has arrangements in place with intermediaries and National Regulatory Authorities which enables a continuation with the majority of existing customers and the potential to expand in certain jurisdictions.

The results for the period are shown in the income statement on page 12. The loss for the financial period was \$911,091 (2020: \$7,023,101). The total shareholders' funds at the period end are \$42,360,883 (2020: \$35,126,146).

The directors believe that Net trading income is the main key performance indicator, Net trading income 2021: \$12,678,133 (2020: \$4,771,150).

Principal Risks

The Company's activities expose it to a variety of financial risks: price risk, credit risk, operational risk, foreign currency risk, interest rate risk, capital risk and liquidity risk as explained in note 21. The company's overall risk management framework focuses on the unpredictability of relevant markets and seeks to minimise potential adverse effects on the company's financial performance.

Please refer to note 23 of these financial statements regarding a non-adjusting post balance sheet event relating to disruption in the London Metal Exchange's nickel market in March 2022.

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The company applies specific risk management controls to identify, monitor and manage these risks.

Regulatory risk is the risk associated with the potential for laws related to a given industry, country, or type of security to change and impact the business. Regulatory risk is also the risk of non-compliance. The company uses relevant services to keep updated on current affairs in order to be aware of changes in regulatory requirements and has implemented a robust compliance framework.

Future Development

The business remains focused on further developing its product and service offering, and further developing its customer base.

CCBI Global Markets (UK) Limited

Strategic Report (continued)

Going Concern

The directors have performed an assessment of the Company's ability to continue as a going concern for the foreseeable future. In making their assessment, the directors noted that the Company has received a letter of support from its parent, CCB International Securities Limited for the period of 12 months from the date of approval of the balance sheet.

The directors also noted that as part of the ongoing business plan, CCB International Securities Limited have increased the share capital of the company by \$8 million in September 2021, in addition to the prior year increase of \$20 million in December 2020.

Additional liquidity facilities have also been agreed with CCB International (Holdings) Limited. These additional funds will help facilitate the future growth of the business.

In addition to the capital injection, the Company also has use of a committed \$30 million subordinated debt facility provided by CCB International (Holdings) Limited, which is available for use as required.

New regulatory capital rules were introduced in January 2022. The directors continue to ensure that the Company operates its business within the applicable regulatory capital and liquidity framework, as revised, at all times.

The directors noted and considered the non-adjusting post balance sheet event regarding the London Metal Exchange in March 2022, and referred to in Principal Risks above, when making their assessment.

The directors noted and considered the matter of the 2022 Ukraine-Russia conflict, and any potential impact on the business of the Company, when making their assessment.

On the basis of their assessment, the directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future and for at least 12 months from the date of the approval of the balance sheet. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

By Order on the Board



Mr Chi Pan Chan (Director)
21st April 2022

CCBI Global Markets (UK) Limited

Statement of Directors' Responsibilities in regards to the Financial Statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

CCBI Global Markets (UK) Limited

Independent Auditors' Report to the members of CCBI Global Markets (UK) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CCBI Global Markets (UK) Limited for the year ended 31 December 2021 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 24, 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 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its loss 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

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

CCBI Global Markets (UK) Limited

Independent Auditors' Report to the members of CCBI Global Markets (UK) Limited (continued)

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 there is 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.

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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

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

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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

CCBI Global Markets (UK) Limited

Independent Auditors' Report to the members of CCBI Global Markets (UK) Limited (continued)

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:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (Companies Act 2006 and United Kingdom Generally Accepted Accounting Practice), regulations and supervisory requirements of the Financial Conduct Authority and the London Metals Exchange, as well as relevant tax law.
- We understood how the company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance matters. We also gained an understanding of the company's policies to prevent non-compliance with those frameworks.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur through discussions with management and from our knowledge of the business. We also considered the risk of management override, and in particular the incentive for management to influence the recording of net trading income.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved enquiries of management and those responsible for legal and compliance matters. We also reviewed correspondence between the company and UK regulatory bodies, reviewed minutes of the Board and relevant committee meetings. We also undertook focused audit procedures such as the sending of third-party confirmations and journal entry testing, to address the risk of fraud.

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

Nicholas Pollitt (senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
21st April 2022

CCBI Global Markets (UK) Limited

Independent Auditors' Report to the members of CCBI Global Markets (UK) Limited (continued)

Notes:

1. The maintenance and integrity of the CCBI Global Markets (UK) Limited web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CCBI Global Markets (UK) Limited

Income Statement Year ended 31 December 2021

		Year ended 31 st Dec 2021	Year ended 31 st Dec 2020
	Notes	\$	\$
Net Trading Income	5	12,678,133	4,771,150
Administrative Expenses	5(b)	(12,552,526)	(11,620,366)
Operating Profit / (Loss)		125,607	(6,849,216)
Interest receivable and similar income (under EIR)	2(e), 8	457,882	295,038
Interest payable and similar expenses (under EIR)	2(e), 9	(1,494,580)	(844,965)
Loss Before Taxation	5	(911,091)	(7,399,143)
Tax credit on loss	10	-	376,042
Loss for the financial year		(911,091)	(7,023,101)

All the Company's activities in the current and prior periods are classed as continuing.

The notes on pages 17 to 41 form part of these financial statements.

CCBI Global Markets (UK) Limited

Statement of Comprehensive Income Year ended 31 December 2021

	Year ended 31 st Dec 2021	Year ended 31 st Dec 2020
	\$	\$
Loss for the financial year	(911,091)	(7,023,101)
Items that may not be reclassified subsequently to profit or loss:		
Change in valuation of financial asset designated at fair value through other comprehensive income	185,799	(78,862)
Deferred tax:		
- On the revaluation of financial asset designated at fair value through other comprehensive income	(40,189)	(26,176)
Items that may be reclassified subsequently to profit or loss:		
Change in revaluation of lease asset and liability	218	1,000
Total Comprehensive loss for the year	(765,263)	(7,127,139)

The notes on pages 17 to 41 form part of these financial statements.

CCBI Global Markets (UK) Limited

Balance Sheet At 31 December 2021

		Year ended 31 st Dec 2021	Year ended 31 st Dec 2020 – restated
	Note	\$	\$
Non-Current Assets			
Tangible assets	11	43,006	196,531
Intangible assets	12	219,628	530,085
Right-of-use assets	7	700,487	1,059,924
Financial asset at fair value through other comprehensive income	13	2,164,971	1,979,172
Trade and other receivables	14	9,892,094	13,390,335
		13,020,186	17,156,047
Current Assets			
Trade and other receivables	14	99,732,744	105,575,700
Derivative financial instruments	19	42,201,079	44,312,883
Cash at bank and in hand		47,003,080	23,955,412
		188,936,903	173,843,995
Current Liabilities			
Trade and other payables	15	(100,188,628)	(110,277,792)
Derivative financial instruments	19	(48,660,214)	(21,536,180)
Lease liability	7	(350,201)	(360,097)
		(149,199,043)	(132,174,069)
Net Current Assets		39,737,860	41,669,926
Total Assets less Current Liabilities		52,758,046	58,825,973
Non-Current Liabilities			
Lease liability	7	(356,974)	(699,827)
Other payables	15	(10,000,000)	(23,000,000)
Deferred tax liability	16	(40,189)	-
Net Assets		42,360,883	35,126,146
Capital and Reserves			
Called up share capital	17	69,632,000	61,632,000
Other reserves	18	1,749,958	1,604,130
Accumulated losses		(29,021,075)	(28,109,984)
Total Shareholder's Funds		42,360,883	35,126,146

The notes on pages 17 to 41 form part of these financial statements.

CCBI Global Markets (UK) Limited

Company Registration number 1459469

Balance Sheet (continued)
At 31 December 2021

The financial statements on pages 12 to 41 were approved by the Board of Directors on 21st April 2022 and signed on its behalf by:



Mr Chi Pan Chan

Director

21st April 2022

CCBI Global Markets (UK) Limited

Company Registration number 1459469

Statement of Changes in Equity Year ended 31 December 2021

	Called up Share Capital	Other Reserves	Accumulated Losses	Total Shareholder's Funds
	\$	\$	\$	\$
Balance at 1 st January 2020	41,632,000	1,708,168	(21,086,883)	22,253,285
Loss for the financial year	-	-	(7,023,101)	(7,023,101)
Other Comprehensive Loss	-	(104,038)	-	(104,038)
Issue of Share Capital	20,000,000			20,000,000
Balance at 31 st December 2020	61,632,000	1,604,130	(28,109,984)	35,126,146
Loss for the financial year	-	-	(911,091)	(911,091)
Other Comprehensive Income	-	145,828	-	145,828
Issue of Share Capital	8,000,000	-	-	8,000,000
Balance at 31 st December 2021	69,632,000	1,749,958	(29,021,075)	42,360,883

CCBI Global Markets (UK) Limited

Notes to the Financial Statements

Year ended 31 December 2021

1. General Information

CCBI Global Markets (UK) Limited is domiciled in England and Wales and its legal form is a private limited Company incorporated under the laws of the United Kingdom under the Companies Act. The address of the registered office is given within the contents page. The nature of the Company's operations and its principal activities are set out in the business review on page 5.

These financial statements are presented in the United State Dollars (US\$), unless otherwise stated.

2. Accounting Policies

(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities measured at fair value through profit or loss or through other comprehensive income and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

The following disclosure exemptions under FRS101 have been considered and applied where deemed to be applicable:

- IAS 7 cashflow statements and related notes;
- reduced IFRS 2 disclosure for share-based payment arrangements in a subsidiary's financial statements;
- IAS 8 the listing of new or revised standards that have not been adopted (and information about their likely impact) may be omitted;
- reduced IAS36 disclosure of impairment review;
- reduced IFRS 3 disclosure for business combinations during and after the period;
- reduced IFRS 7 disclosure of financial instruments;
- reduced IFRS13 disclosure relating to fair value measurement
- IAS 24 related party disclosures for intra-group transactions and disclosure of key management compensation;
- IAS 1 the requirement to present comparatives in roll-forward reconciliations for movements on share capital, property plant and equipment, intangible assets and investment property;
- reduced IAS1.134-1.136 disclosure on capital management; and
- reduced IFRS 15 disclosure on revenue contracts with customers;

Where required, equivalent disclosures are given in the consolidated financial statements of China Construction Bank Corporation. The group consolidated financial statements of China Construction Bank Corporation are available to the public and can be obtained as set out in note 24.

(b) Future Development

Following the investment in a significant expansion program undertaken by the Company, investing in its core infrastructure, systems and personnel, the business now remains focused on increasing its product offering and further developing its customer base. This is a key stage of the Company's business plan.

CCBI Global Markets (UK) Limited

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

Going Concern

The directors have performed an assessment of the Company's ability to continue as a going concern for the foreseeable future. In making their assessment, the directors noted that the Company has received a letter of support from its parent, CCB International Securities Limited for the period of 12 months from the date of approval of the balance sheet..

The directors also noted that as part of the ongoing business plan, CCB International Securities Limited have increased the share capital of the company by \$8 million in September 2021. Additional liquidity facilities have also been agreed with CCB International (Holdings) Limited. These additional funds will help facilitate the future growth of the business.

In addition to the capital injection, the Company also has use of a \$30 million subordinated debt facility provided by CCB International (Holdings) Limited, which is available to be used for regulatory capital purposes as required.

The directors will therefore continue to ensure that the Company will continue to operate its business within the applicable regulatory capital framework, as revised, at all times.

On the basis of their assessment, the directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future and for at least 12 months from the date of the approval of the balance sheet. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

(c) Adoption of new and revised standards

No new accounting standards, or amendments that are effective for the year end 31st December 2021 have any material impact on the company.

(d) Net Trading Income

Given the nature of the Company's operations, the directors do not consider the disclosure of turnover to be meaningful. The directors consider it more appropriate to begin with net trading income. This represents dealing profits and losses, commissions and other related income derived from the provision of goods and services as a broker and dealer, less direct trading costs, including exchange clearing and execution fees, royalties and broker fees. Direct trading costs are recognised on an accruals basis.

The results of trading on the London Metal Exchange, an organised futures market, and the results of other off-exchange contracts, include provisions for both profits and losses on forward contracts outstanding on the last trading date in the financial period. Open positions are valued at the prices at which they could have been realised on that date. Where such a market does not exist, the results include provisions for known losses.

The Company's results are generated from a single class of business, namely broking and dealing for clients in metal derivatives. In the opinion of the directors, the Company trades with customers in a single international market. Therefore, no business or geographic segmental information has been provided.

(e) Interest Receivable and Payable

Interest receivable and payable are recognised in the income statement on an accruals basis at the effective interest rate (EIR).

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

(f) Depreciation

Tangible Assets are stated at cost less accumulated depreciation. Tangible fixed assets are assessed for any indicators of impairment at each balance sheet date. Where indicators of impairment for a particular tangible asset are identified, a full impairment assessment is performed, with any diminution in value recognised in the income statement. Depreciation is provided on a straight-line method over the expected useful lives of each category of tangible asset as follows:

Computer equipment	3-5 years
Fixtures and Fittings	3 years
Leasehold improvements	5 years

(g) Amortisation

Intangible assets are stated at cost less accumulated amortisation. Intangible fixed assets are assessed for any indicators of impairment at each balance sheet date. Where indicators of impairment for a particular intangible asset are identified, a full impairment assessment is performed, with any diminution in value recognised in the income statement.

When performing any impairment assessment, in addition to considering matters particular to the relevant Company business area, management evaluates the overall value of the asset from the perspective of a market participant. Amortisation is provided on a straight-line method over the expected useful life which is between 3-5 years.

(h) Foreign Currencies

The currency of the primary economic environment in which the Company operates (its functional currency) is pound sterling. The financial statements are presented in United States dollars which is the Company's presentational currency because almost all trading activities are denominated in this currency.

Transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the maturity date of the transactions. Expenses are valued at month end rate.

Monetary assets and liabilities in foreign currencies have been expressed in US dollars at the closing mid-market rates of exchange ruling on the last trading date in the financial period. Non-monetary items are expressed at historic rates. The exchange profits and losses are included in the administrative expenses within the income statement.

(i) Taxation

Current tax, including UK corporation tax, is recorded at amounts expected to be recovered or paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which these are recognised in the financial statements.

Deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

(j) Commission

Commissions earned for executing the purchase or sale of commodities are included in net trading income within the income statement when the contracts are transacted.

(k) Financial Instruments

The Company classifies its financial assets as follows: Fair value through profit and loss, Fair value through other comprehensive income and financial assets and liabilities at amortised cost.

The Company classifies its financial liabilities into the following categories on initial recognition: Financial liabilities at fair value through profit or loss (FVPL) and financial liabilities at amortised cost.

(i) Financial assets and financial liabilities at fair value through profit or loss (FVPL)

Open commodity futures and options positions and forward foreign exchange contracts and commodities held for resale are valued based on market prices prevailing at the balance sheet date. Changes in the valuation of these positions are recorded in net trading income within the profit and loss account.

(ii) Fair value through other comprehensive income (FVOCI)

The Company's equity investment is classified as financial asset at fair value through other comprehensive income. This investment was initially recognised at cost and is subsequently measured at fair value. Changes in the fair value of the financial assets are reported in other comprehensive income. Fair values for financial assets not quoted in an active market are determined using appropriate valuation techniques which maximise the use of observable data where it is available.

(iii) Financial Assets at amortised cost

Financial assets at amortised cost initially measured at fair value and are subsequently measured using the effective interest rate (EIR) method, except for short-term receivables when the effect of discounting is immaterial. The effective interest rate is a rate that exactly discounts estimated future cash flows to the instruments initial carrying amount. Assets in this category are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost includes trade receivables, mainly comprising of; amounts presently due for settlement under commodity contracts and cash margin paid.

(iv) Financial liabilities at amortised cost

These amounts include trade and other payables. These are non-derivative financial assets or liabilities with fixed or determinable payments that are not quoted in an active market. These are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating interest income or expense over its expected life. The effective interest rate is a rate that exactly discounts estimated future cash flows to the instruments initial carrying amount.

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

(v) Impairment of financial assets

Financial assets, other than those at fair value to profit and loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. For listed and unlisted equity investments classified as financial assets at fair value through other comprehensive income (FOVCI), a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

When an asset measured at fair value through other comprehensive income is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to the income statement in the period.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss for all financial assets.

(l) Expected Credit Losses

IFRS9 requires the Company to determine whether there should be any recognitions of impairment losses for financial assets under the expected credit loss approach.

Any measurement of credit losses under IFRS9 shall reflect an unbiased and probability-weighted amount that is determined by evaluating the range of possible outcomes. The standards defines expected credit losses as the weighted average of credit losses with the respective risks of a default occurring as the weightings.

Whilst an entity does not need to consider every scenario, it must consider the risk of probability that a credit loss occurs by considering the possibility that a credit loss occurs, even if the probability of a credit occurring is low.

(m) Netting

Financial assets and liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a legally enforceable right to set off the recognised amount and there is an intention to settle on a net basis, or to reduce the asset and liability simultaneously. Where the above criteria is satisfied (as per IAS32), the Company presents client derivative balances using the net liquidating value creating a single Derivative Financial Assets or Derivative Financial Liabilities for each counterparty. These Derivative Financial Assets and Derivative Financial Liabilities are all categorised as current assets on the Company's balance sheet.

(n) Pension Costs

The Company operates a defined contribution personal pension scheme. The amount charged to the income statement in respect of pension costs for each employee in the pension scheme is the contribution payable for the period. Differences between contributions payable for the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

In accordance with IAS 19 (Revised 2011), the Company recognises a cost equal to contribution payable for the period, which is presented within administrative expenses in the income statement.

Notes to the Financial Statements (continued)

2. Accounting Policies (continued)

(o) Operating Leases

IFRS16 sets out the principles for recognition, measurement, presentation and disclosure of leases and requires the lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS17. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to re-measure the lease liability upon the occurrence of certain events. (E.g. a change in the lease term, a change in future lease payments resulting in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset. The Company discloses its operating lease in note 7.

CCBI Global Markets (UK) Limited

Notes to the Financial Statements (continued)

3. Restatement of prior year comparatives as a result of the application of netting principles and reclassification of subordinated loans

Where all of the conditions for offset under IAS32 are satisfied, the fair value of the derivatives are presented on a net basis, including offset of any cash margin paid or received. Trade and Other receivables and Trade and Other payables are presented on a new basis including any derivative offset. During 2021, the Company performed a review of its application of the netting principles and requirements as per the relevant provisions of IAS32, and additional offsetting was applied. As a result of a misclassification in the prior year, \$23m of subordinated has been restated from current liabilities to non-current liabilities. Refer to note 15 for further details.

	As previously presented	Netting Restatement	Subordinated loan Restatement	Restated
	31 Dec 2020	31 Dec 2020	31 Dec 2020	31 Dec 2020
	\$	\$		\$
Current Assets:				
Trade and other receivables	254,485,167	(148,909,467)	-	105,575,700
Derivative Financial Instruments	169,616,778	(125,303,895)	-	44,312,883
Current Liabilities:				
Trade and other payables	259,128,566	125,850,774	(23,000,000)	110,277,792
Derivative Financial Instruments	169,898,768	148,362,588	-	21,536,180
Non-current Liabilities:				
Other payables	-	-	23,000,000	23,000,000

4. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Critical accounting estimates are:

LME 'B' Shares

The Company continues to hold 25,000 "B" shares in LME Holdings Limited. There was no cost to the Company in acquiring these shares. There is trading of the 'B' shares on the secondary market.

Where a buyer enters the market, but no existing member is willing to sell their surplus shares, the LME will issue new shares at a price determined by the B share committee.

The last determined price set by the LME committee was £72 per share. While this price reflects an approximation of the fair value, the Company would only be able to realise the investment if it were to cease membership of the LME. In light of this, provided that the exercise is subjective in nature, the Company believes that the best estimate would be to value the shares on the last traded price of £64 per share. (Refer to note 13).

CCBI Global Markets (UK) Limited

Notes to the Financial Statements (continued)

5. (a) Loss before Taxation

Net Trading Income

	Year ended 31 st Dec 2021	Year ended 31 st Dec 2020
	\$	\$
Commission and fee income	9,300,695	5,010,370
Trading and other income	5,797,301	1,294,077
Direct trading costs	(2,419,863)	(1,533,297)
	12,678,133	4,771,150

5. (b) Loss before taxation is arrived at after charging:

		Year ended 31 st Dec 2021	Year ended 31 st Dec 2020
	Note:	\$	\$
Auditors' remuneration Statutory audit of the financial statements		101,483	89,103
Fees for audit related assurance services		6,766	6,973
Other services		-	20,019
Rent		369,671	343,793
Depreciation	11	165,644	221,605
Amortisation	12	366,098	401,110
Staff costs	6	7,269,862	6,530,782
Foreign exchange losses/(gains)		357	(135,221)

In addition to the statutory audit fee shown above, a further £6,930 has been charged to the Company's parent company. This amount is not recharged to the Company. An amount of £12,000 (\$16,589) was expensed in the current period relating to additional scope audit costs in the prior period.

CCBI Global Markets (UK) Limited

Notes to the Financial Statements (continued)

6. Staff Costs

The average number of full time equivalent persons employed by the Company was as follows:

	Year Ended 31 st Dec 2021	Year Ended 31 st Dec 2020
	No.	No.
Administrative	19	18
Operational	17	16
Directors	6	6
	42	40
Employee costs including directors' remuneration:	\$	\$
Wages and Salaries	6,090,111	5,500,299
Social Security costs	700,500	615,297
Other pension costs	479,251	415,186
	7,269,862	6,530,782

The particulars of directors' emoluments attributable to the Company are as follows:

	Year Ended 31 st Dec 2021	Year ended 31 st Dec 2020
	\$	\$
Wages and salaries	847,045	816,301
Social Security costs	114,643	104,075
Other pension costs	-	-
	961,688	920,376

The directors had no share options during the year. The highest paid director was paid \$579,299 (2020: \$413,697) in wages and salaries. In addition the highest paid director received \$64,949 in contributions to a money purchase scheme (2020: nil).

CCBI Global Markets (UK) Limited

Notes to the Financial Statements (continued)

7. Operating Lease Commitments

At 31st December 2021, the Company has Operating lease commitments relate to a "licence to occupy" office premises from China Construction Bank - London Branch. The rent payable under the licence to occupy is to be reviewed at least every five years, with the next rent review date no later than 20th July 2026. There is a six-month notice period for either party to terminate this lease.

Set out below are the carrying amounts of the right-of-use asset recognised and the movements during the year.

	\$
As at 1 January 2021	1,059,924
Revaluation of right-of-use asset (through OCI)	(3,547)
Depreciation Expense	(355,890)
As at 31 December 2021	700,487

Set out below are the lease liability and the movements during the year:

	\$
As at 1 January 2021	1,059,924
Revaluation of lease liability (through OCI)	(3,765)
Accretion of interest	20,687
Payments	(369,671)
As at 31 December 2021	707,175
 Current	 350,201
Non-Current	356,974

The revaluation of the lease asset and liability has been recognised in the statement of comprehensive income.

8. Interest Receivable and Similar Income (under EIR)

	Year ended 31 st Dec 2021	Year ended 31 st Dec 2020
	\$	\$
Interest receivable - Bank	341	19,016
Interest receivable on deposits with LME Clear	-	67,450
Interest receivable - Other	457,541	208,572
	457,882	295,038

CCBI Global Markets (UK) Limited

Notes to the Financial Statements (continued)

9. Interest Payable and Similar Expenses (under EIR)

	Year ended 31 st Dec 2021	Year ended 31 st Dec 2020
	\$	\$
Interest payable - Loans	(1,116,301)	(497,610)
Interest payable on deposits with LME Clear	(346,560)	(109,055)
Interest payable - Other	(31,719)	(238,300)
	<u>(1,494,580)</u>	<u>(844,965)</u>

10. (a) Tax on Loss

	Year ended 31 st Dec 2021	Year ended 31 st Dec 2020
	\$	\$
Current Tax		
UK Corporation Tax on loss for the year	-	-
Deferred Tax - credit for the current year	-	376,042
Tax credit on loss	<u>-</u>	<u>376,042</u>
Tax income included in other comprehensive income / loss		
Deferred tax:		
Effect of revaluation of financial asset at fair value through other comprehensive income	(40,189)	(26,176)
Total tax included in other comprehensive income / loss	<u>(40,189)</u>	<u>(26,176)</u>

CCBI Global Markets (UK) Limited

Notes to the Financial Statements (continued)

10. (b) Factors affecting tax charge for the year

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below.

	Year ended 31 st Dec 2021	Year ended 31 st Dec 2020
	\$	\$
Loss before taxation	(911,091)	(7,399,143)
Loss multiplied by the standard rate of tax in the UK of 19% (2020: 19%)	(173,107)	(1,405,837)
Effects of:		
Expenses not deductible for tax purposes	4,585	1,067
Deferred tax assets not recognised	61,042	118,316
Losses not recognised	107,480	910,412
Total tax credit for the year (Note 10 (a))	-	(376,042)

A deferred tax asset of \$8,011,579 (2020: \$5,778,504) in respect of unutilised losses and a deferred tax asset of \$310,864 (2020: \$223,290) in regards to fixed assets has not been recognised as there is insufficient evidence to provide it is more likely than not that there will be suitable taxable profits against which the losses can be offset.

There is currently no expiry period for the losses.

11. Tangible Assets

For the year ended 31 st December 2021	Fixtures & Fittings	Computer Equipment	Total
	\$	\$	\$
Cost			
At 1 st January 2021	718,258	741,124	1,459,382
Additions	-	12,119	12,119
At 31st December 2021	718,258	753,243	1,471,501
Accumulated depreciation			
At 1 st January 2021	601,827	661,024	1,262,851
Charge for the year	116,431	49,213	165,644
At 31st December 2021	718,258	710,237	1,428,495
Net Book Values			
At 31 st December 2021	-	43,006	43,006
At 31 st December 2020	116,431	80,100	196,531

CCBI Global Markets (UK) Limited

Notes to the Financial Statements (continued)

12. Intangible Assets

For the year ended 31 st December 2021	Computer Software	Legal Fees	Total
	\$	\$	\$
Cost			
At 1 st January 2021	1,461,466	254,184	1,715,650
Additions	55,641	-	55,641
At 31 st December 2021	1,517,107	254,184	1,771,291
Amortisation			
At 1 st January 2021	1,058,473	127,092	1,185,565
Charge for the year	281,369	84,729	366,098
At 31 st December 2021	1,339,842	211,821	1,551,663
Net Book Values:			
At 31 st December 2021	177,265	42,363	219,628
At 31 st December 2020	402,993	127,092	530,085

13. Financial Asset at fair value through other comprehensive income (FVOCI)

	LME Shares	Total
	\$	\$
At 31 st December 2020	1,979,172	1,979,172
Revaluation	185,799	185,799
At 31 st December 2021	2,164,971	2,164,971
Shareholding	No.	Basis of Valuation
LME Holdings Limited "B" Shares	25,000	Last Traded Price

The Company continues to hold 25,000 "B" shares in LME Holdings Limited. There was no cost to the Company in acquiring these shares. The shares are level 3 assets in the hierarchy set out in FRS101 and are recognised at £64 (2020: £58) per share in accordance with the Company's accounting policy for valuing financial asset designated at fair value through other comprehensive income (see note 2). The revaluation represents the change in the share price and exchange rate during the year.

CCBI Global Markets (UK) Limited

Notes to the Financial Statements (continued)

14. Trade and Other Receivables

	31 st Dec 2021	31 st Dec 2020 (restated)
	\$	\$
Falling due within one year:		
Amounts owed by related parties	-	-
Trade debtors	98,583,980	104,575,983
Other debtors and other receivables	284,131	300,110
Prepayments and accrued income	864,633	699,607
	99,732,744	105,575,700
Falling due after more than one year:		
Other debtors and other receivables	9,892,094	13,390,335
	9,892,094	13,390,335
Total trade and other receivables	109,624,838	118,966,035

Trade debtors include collateral amounts of \$97,905,351 (2020: \$252,643,351) posted to LME Clear Limited and \$678,629 (2020: \$1,759) posted to other counterparties against open positions. Of the other debtors shown above, \$9,887,352 (2020: \$13,263,004) relates to the LME Clear Member Default Fund. Although this balance may fluctuate during the period it is deemed to be significantly, if not wholly, due after more than one year.

All other receivables are receivable within one year, apart from \$4,742 (2020: \$127,331) which is receivable after one year.

15. Trade and other payables

	31 st Dec 2021	31 st Dec 2020 (restated)
	\$	\$
Amounts falling due within one year		
Amounts due to related parties	622,980	216,161
Loans owed to related parties	60,000,000	41,000,000
Trade Creditors	37,341,603	67,613,585
Other Creditors	387,588	77,388
Other taxes and social security	-	57,482
Accruals	1,836,457	1,313,176
	100,188,628	110,277,792
Amounts falling due more than one year		
Loan owed to a related party	10,000,000	23,000,000
	10,000,000	23,000,000
Total trade and other payables	110,188,628	133,277,792

CCBI Global Markets (UK) Limited

Notes to the Financial Statements (continued)

15. Trade and other payables (continued)

Amounts owed to related parties are for \$60m (2020: \$41m) of loans, including \$30m due to mature January 2022 and \$30m due to mature April 2022. A sub-ordinated debt of \$10m (2020: \$23m) is included with maturity date of November 2029.

Trade creditor's balances include collateral amounts of \$37,341,603 (2020: \$193,502,509) posted by counterparties against open positions. No interest is payable on these amounts. All other payables are not interest bearing and payable on demand or within one month.

The comparatives in the above maturity table have been restated to include \$23m of subordinated debt in trade and other payables as maturing in more than one year due to a re-classification in the prior year as described in note 3.

16. Deferred Tax

The provision for deferred tax consists of the following deferred tax liability and is provided at a rate of 19% (2020: 19%) as follows:

	\$
At 31st December 2020	-
Debit other comprehensive income:	
- on the revaluation of financial asset at fair value through other comprehensive income	(40,189)
At 31st December 2021	(40,189)

Deferred tax is made up as follows:

	31 st Dec 2021	31 st Dec 2020
	\$	\$
Losses carried forward	376,042	376,042
Unrealised gains due to revaluations	(416,231)	(376,042)
Total deferred tax liability	(40,189)	-

The main rate of corporation tax for the current financial year is 19% but will increase to 25% from 1st April 2023.

17. Called up Share Capital

	31 st Dec 2021	31 st Dec 2020
	Allotted, Issued & Fully Paid	Allotted, Issued & Fully Paid
	£	£
Ordinary shares of £1 each	41,902,785	36,112,817
	\$	\$
Dollar equivalent (fixed)	69,632,000	61,632,000

CCBI Global Markets (UK) Limited

Notes to the Financial Statements (continued)

17. Called up Share Capital (continued)

On 28th September 2021, 5,789,968 ordinary £1 shares were allotted and issued to CCB International Securities Limited for a consideration of \$8,000,000.

The Company has one class of ordinary share which carry no right to fixed income. Each ordinary share carries one vote at any general meeting.

18. Other Reserve

This represents the valuation of the Company's financial assets (LME "B" shares), adjusted for the corresponding deferred tax liability, and revaluation of lease assets and liabilities.

19. Financial Instruments

Objectives and policies

Please refer to Note 21 – Financial Risk Management for details on the Company's financial instrument risk management objectives strategies and procedures to minimise their potential adverse effect on Company performance.

There is no material difference between the carrying value and fair value of financial instruments.

Fair Value

Certain financial assets and liabilities are recorded in the financial statements at fair value, which is calculated using market prices prevailing at the balance sheet date. Where such prices are not available, fair values are derived using internally developed valuation methodologies based on available market information.

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

The fair value hierarchy has the following levels:

Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

CCBI Global Markets (UK) Limited

Notes to the Financial Statements (continued)

19. Financial Instruments (continued)

As at 31 December 2021	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets				
Fair value through profit and loss:				
Derivative financial instruments	42,201,079	-	-	42,201,079
Financial asset at fair value through other comprehensive income	-	-	2,164,971	2,164,971
Financial liabilities				
Fair value through profit and loss:				
Derivative financial instruments	(48,660,214)	-	-	(48,660,214)
	(6,459,135)	-	2,164,971	(4,294,164)
As at 31 December 2020 (restated)	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets:				
Fair value through profit and loss:				
Derivative financial instruments	44,312,883	-	-	44,312,883
Financial asset at fair value through other comprehensive income	-	-	1,979,172	1,979,172
Financial Liabilities:				
Fair value through profit and loss:				
Derivative financial instruments	(21,536,180)	-	-	(21,536,180)
	22,776,703	-	1,979,172	24,755,875

Reconciliation of Level 3 fair value measurements of financial assets (refer to note 2):

	Total
	\$
Balance at 31 st December 2020	1,979,172
Total gains recognised in:	
Other Comprehensive income	185,799
Balance at 31 st December 2021	2,164,971

Financial assets and liabilities are offset and the net amount is reported in the balance sheet, where the Company currently has a legally enforceable right to offset the recognised amounts and there is an intention to settle the amounts on a net basis or realise the asset and settle the liability simultaneously.

CCBI Global Markets (UK) Limited

Notes to the Financial Statements (continued)

19. Financial Instruments (continued)

The following table represents gross assets and liabilities, with details of the amounts offset in the balance sheet and further presenting amounts not offset in the balance sheet where the financial assets and liabilities do not meet the accounting criteria for offset.

Financial assets subject to offsetting, enforceable master netting arrangements or other similar agreements:

	Amounts offset in the balance sheet			Amounts not offset in the balance sheet		Net Amounts
	Gross Assets	Amount Offset	Net Amounts Presented	Financial Instruments	Cash Collateral Pledged	
31st December 2021	\$	\$	\$	\$	\$	\$
Third parties	84,764,749	(65,392,750)	19,371,999	22,829,080	-	42,201,079
Trade Debtors	154,058,149	(55,621,456)	98,436,693	-	147,287	98,583,980
Total	238,822,898	(121,014,206)	117,808,692	22,829,080	147,287	140,785,059

Financial liabilities subject to offsetting, enforceable master netting arrangements or other similar agreements:

	Amounts offset in the balance sheet			Amounts not offset in the balance sheet		Net Amounts
	Gross Liabilities	Amount Offset	Net Amounts Presented	Financial Instruments	Cash Collateral Received	
31st December 2021	\$	\$	\$	\$	\$	\$
Third parties	(186,708,755)	153,370,083	(33,338,672)	(15,321,542)	-	(48,660,214)
Trade Creditors	(88,976,704)	54,198,189	(34,778,515)	-	(2,563,863)	(37,342,378)
Total	(275,685,459)	207,568,272	(68,117,187)	(15,321,542)	(2,563,863)	(86,002,592)

CCBI Global Markets (UK) Limited

Notes to the Financial Statements (continued)

19. Financial Instruments (continued)

Financial assets subject to offsetting, enforceable master netting arrangements or other similar agreements:

31 st December 2020 (restated)	Amounts offset in the balance sheet			Amounts not offset in the balance sheet		Net Amounts
	Gross Assets	Gross Liabilities Offset	Net Amounts Presented	Financial Instruments	Cash Collateral Pledged	
	\$	\$	\$	\$	\$	\$
Third parties	169,808,331	(149,220,722)	20,587,609	23,725,274	-	44,312,883
Trade Debtors	256,953,285	(152,398,917)	104,554,368	-	30,338	104,584,706
Total	426,761,616	(301,619,639)	125,141,977	23,725,274	30,338	148,897,589

Financial liabilities subject to offsetting, enforceable master netting arrangements or other similar agreements:

31 st December 2020 (restated)	Amounts offset in the balance sheet			Amounts not offset in the balance sheet		Net Amounts
	Gross Liabilities	Gross Assets Offset	Net Amounts Presented	Financial Instruments	Cash Collateral Received	
	\$	\$	\$	\$	\$	\$
Third parties	(189,142,622)	185,234,564	(3,908,058)	(17,628,122)	-	(21,536,180)
Trade Creditors	(190,361,431)	129,328,780	(61,032,651)	-	(6,581,709)	(67,614,360)
Total	(379,504,053)	314,563,344	(64,940,709)	(17,628,122)	(6,581,709)	(89,150,540)

CCBI Global Markets (UK) Limited

Notes to the Financial Statements (continued)

20. Derivative Financial Instruments

	31 st Dec 2021	31 st Dec 2020 (restated)
	\$	\$
Financial assets at fair value through profit and loss		
Derivative financial instruments:		
Futures - Other Parties	42,201,079	44,312,883
	42,201,079	44,312,883
	31 st Dec 2021	31 st Dec 2020 (restated)
	\$	\$
Financial liabilities at fair value through profit and loss		
Derivative financial instruments:		
Futures -Other Parties	48,660,214	21,536,180
	48,660,214	21,536,180

Notes to the Financial Statements (continued)

21. Financial Risk Management

The Company's activities expose it to a variety of financial risks: price risk, credit risk, operational risk, foreign currency risk, interest rate risk, capital risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of relevant markets and seeks to minimise potential adverse effects on the Company's financial performance. The Board of Directors determines the level of risk acceptable to the Company by setting limits within which senior managers monitor the Company's operations.

Price Risk

This risk arises from adverse movements in the price of derivatives in which the Company trades. The Company's objective is to be aware, control and minimise this risk. The Company's principal business involves acting as a broker and dealer in commodity derivatives. The Company seeks to match asset and liability derivative positions, in order to minimise open positions. Where open positions are held, the Company is exposed to adverse price movements in the price of commodities in which it trades and holds positions.

The company has a policy to create trade limits which have been set that take into account each commodity's volatility. These limits are monitored on daily basis against both marked to market movement and position structure.

Credit Risk

Credit Risk arises from a counterparty defaulting on a contractual obligation involving cash and cash equivalents, deposits with banks and financial institutions and from derivative financial instruments transactions. The Company has credit policies and procedures in place and credit lines granted by the Company are approved within the approved credit management policy. All customer positions are marked to market on a daily basis and monitored against credit lines granted. The company calls collateral for cover, should net exposures covered by netting agreements exceed the lines granted. For the FVOCI instruments, the carrying value is a good approximation of maximum exposure to credit risk. For the derivatives, it will be carrying value less any collateral received.

Operational Risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events including legal risk. This broad category extends across all departments throughout the Company. The Company strives to mitigate operational risks through reviewing processes and controls continuously. Employee retention is managed in accordance with good practice standards through the Company's remuneration policy on reward, compensation benefits and continued employee development.

Competition is managed through competitive pricing strategies and transparency of the market.

Foreign Currency Risk

A majority of the revenue and assets and liabilities of the Company are denominated in US Dollars and are not materially exposed to movements in foreign exchange rates. Most of the transactions in foreign currencies are hedged on the trade date, so that the Company's exposure to exchange rate risk is limited. The Company does not engage in speculative foreign exchange trading, but does consider the exchange rate risk relating to the sterling cost base and has put in place a hedging strategy to manage these risks. Please see note 5(b) for details of FX movements during the year.

Foreign currency sensitivity analysis has been performed on the Company's foreign currency exposures inherent in its assets and liabilities at the reporting date. An increase of 1% in respect of spot exchange rates to US Dollar at the balance sheet date would have resulted in a gain to profit and loss on translation difference in respect of net currency assets of \$36,525 (2020: \$53,247), whilst a 1% decrease in the spot exchange rate to US Dollar would have resulted in a loss of \$36,525 (2020: \$53,247).

Notes to the Financial Statements (continued)

21. Financial Risk Management (continued)

Interest Rate Risk

Interest rate refers to the sensitivity of the Company to changes in interest rate. The forward structure of commodity prices is not materially sensitive to movements in interest rates. Cash is held at banks and Central Counterparty Clearing house. Due to the current low interest rate climate, no interest income is currently earned on bank funds and there is an interest expense in holding funds at LME Clear Limited. To partially offset this reduction in interest income, interest rates on funds borrowed are also lower.

Interest rate sensitivity analysis has been performed on the deposits and loans balances held during the year. An increase or decrease of 0.25% in interest rates on deposits and loans held throughout the year would have resulted in a net gain to the profit and loss account of \$607,446 (2020: \$163,962) in respect of an increase in rate, and a loss of \$607,480 (2020: \$156,779) in respect of a decrease in rate.

Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern whilst maximising the return to stakeholders through the optimisation of the debt and equity mix. For the purpose of the Company's capital management, capital includes issued share capital, other reserves and accumulated losses.

During the year, the capital structure of the Company consisted of CCB International Securities Limited as the sole shareholder, with 100% shareholding.

The Company ensures that its capital base is adequate to cover the risks inherent in the business to be compliant with the requirements of the regulatory authorities.

Liquidity Risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they fall due. The Company manages liquidity by maintaining adequate reserves and banking facilities. The facilities cover funding for daily operational requirements to the Company to LME Clear. At the balance sheet date the Company had adequate unutilised facilities.

CCBI Global Markets (UK) Limited

Notes to the Financial Statements (continued)

21. Financial Risk Management (continued)

The table below analyses the Company's total financial assets and liabilities into relevant maturity groups based on the following year from the balance sheet date:

As at 31 st December 2021	Less than 1 month	1 to 3 months	3-12 months	More than 1 year	Total
	\$	\$	\$	\$	\$
Assets					
Financial asset at fair value through other comprehensive income	-	-	-	2,164,971	2,164,971
Derivative financial instruments	42,201,079	-	-	-	42,201,079
Trade and other receivables	98,915,927	649,506	167,311	9,892,094	109,624,838
Cash at bank and in hand	47,003,080	-	-	-	47,003,080
Total	188,120,086	649,506	167,311	12,057,065	200,993,968
Liabilities					
Derivative financial instruments	48,660,214	-	-	-	48,660,214
Trade and other payables	69,935,161	-	30,253,467	10,000,000	110,188,628
Lease Liability	-	-	350,201	356,974	707,175
Total	118,595,375	-	30,603,668	10,356,974	159,556,017
As at 31st December 2020 (restated)	Less than 1 month	1 to 3 months	3-12 months	More than 1 year	Total
	\$	\$	\$	\$	\$
Assets					
Financial asset at fair value through other comprehensive income	-	-	-	1,979,172	1,979,172
Derivative financial instruments	44,312,883	-	-	-	44,312,883
Trade and other receivables	104,791,424	604,667	179,609	13,390,335	118,966,035
Cash at bank and in hand	23,955,412	-	-	-	23,955,412
Total	173,059,719	604,667	179,609	15,369,507	189,213,502
Liabilities					
Derivative financial instruments	21,536,180	-	-	-	21,536,180
Trade and other payables	110,080,825	-	196,967	23,000,000	133,277,792
Lease Liability	-	-	360,097	699,827	1,059,924
Total	131,617,005	-	557,064	23,699,827	155,873,896

The prior year comparatives in the above maturity table have been restated to include \$23m of subordinated debt in trade and other payables as maturing in more than one year due to a re-classification in the prior year as described in note 3.

CCBI Global Markets (UK) Limited

Notes to the Financial Statements (continued)

22. Related Party Transactions

The amounts included in the loss for 2021 for these parties only represent those amounts relating to the period in which these parties were classified as Related Parties.

	Amounts owed by related parties 2021 \$	Amounts owed to related parties 2021 \$	Amounts owed by related parties 2020 \$	Amounts owed to related parties 2020 \$
<u>Assets</u>				
Trade and Other Receivables:				
China Construction Bank Corporation	1,075	-	1,075	-
London Branch				
<u>Liabilities</u>				
Trade and Other Payables:				
China Construction Bank Corporation	-	775	-	775
CCB International Securities Limited	-	115,886	-	78,610
CCB International (Holdings) Limited	-	40,505,424	-	23,087,979
China Construction Bank Corporation	-	30,706,279	-	42,066,690
London Branch				
	1,075	71,328,364	1,075	65,234,054

CCBI Global Markets (UK) Limited

Notes to the Financial Statements (continued)

22. Related Party Transactions (continued)

	Amounts included in operating profit 2021 \$	Amounts included in operating loss 2020 \$
Net Trading Income:		
China Construction Bank Corporation	-	3,944
CCB International Securities Limited	(143,009)	(33,570)
Administrative Expenses:		
CCB International Securities Limited	(461,573)	(320,437)
CCB International (Holdings) Limited	(578,288)	(579,225)
China Construction Bank Corporation London Branch	(429,786)	(383,840)
Interest Payable and Similar expenses:		
China Construction Bank Corporation London Branch	(589,694)	(497,610)
CCB International (Holdings) Limited	(530,712)	(217,642)
	(2,733,062)	(2,028,380)

23. Events after the Balance Sheet date

At the beginning of March 2022, as a result of disorderly markets, the LME nickel market experienced a period of extreme price and market volatility leading to its closure by the LME on 8 March 2022 and the cancellation of all market trades for LME nickel on that day. The impact on the Company was isolated to the LME nickel market only.

During this period of exceptional price increases, additional liquidity funding was made available to the Company by the Group, and repayment in respect thereof was subsequently made.

As at the date of these financial statements, there has been no adverse impact on the profitability or capital base of the Company. There is no impact to these 2021 Financial Statements, so the matter is disclosed as a non-adjusting subsequent event under IAS10.

24. Immediate Parent and Ultimate Controlling Party

As at 31 December 2021, the Company is 100% owned by CCB International Securities Limited, a Company incorporated in Hong Kong. CCB International Securities Limited is a wholly-owned subsidiary of CCB International (Holdings) Limited, a company incorporated in Hong Kong. CCB International (Holdings) Limited is controlled by China Construction Bank Corporation ("CCBC"). Central Huijin Investment Ltd is the controlling party of CCBC, and it is wholly-owned subsidiary of China Investment Corporation which is a wholly state-owned company in the People's Republic of China. CCBC produces consolidated financial statements available for public use and are available from their registered office; No.25, Financial Street, Xicheng District, Beijing 100033.