

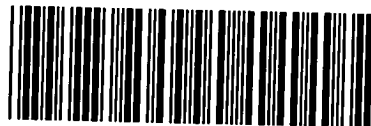
**Company Registration No. 01999458**

**Gerald Holdings Limited**

**Annual report and financial statements**

**31 December 2022**

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# **Gerald Holdings Limited**

## **Annual report and financial statements 31 December 2022**

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# **Gerald Holdings Limited**

## **Annual report and financial statements 31 December 2022**

### **Officers and Professional Advisers**

#### **Directors**

C. Dean  
D. Rabagliati  
F. Kaufmann

#### **Registered Office**

Third Floor  
One Strand  
Grand Buildings  
Trafalgar Square  
London WC2N 5HR

#### **Independent Auditors**

Deloitte LLP  
Statutory Auditors  
1 New Street Square  
London EC4A 3HQ

## **Gerald Holdings Limited**

### **Annual report and financial statements 31 December 2022**

#### **Directors' report**

(expressed in thousands of USD)

The directors present their report and financial statements for the period ended 31 December 2022. In preparing this report, the directors have taken advantage of the small companies exemptions provided by Section 415A of the Companies Act 2006.

#### **Directors**

The directors of the Company during the year are Craig Dean, David Rabagliati and Florian Kaufmann.

#### **Independent Auditors**

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Deloitte LLP has expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed to the shareholders.

#### **Going Concern**

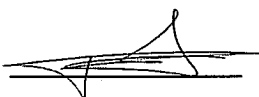
The going concern basis of preparation has been considered appropriate as, based on the company's equity, the directors believe that the Company will be in operation for a period of at least 12 months from the date of the signing the financial statements.

Furthermore, based on the operations and activities of the Company, the Company has not identified any exposure to any climate related risks.

The Gerald group (the "Group") has been in existence since 1962 and continues to be a private Group owned and controlled by its employees. It is a global commodity merchant which has historically focused on base, precious and ferrous metals, including all of the associated raw materials. Its activities span across the entire supply chain, which include mining operations, logistics and storage, financing of such commodities, and customized financial market solutions.

As of the date of this report, Russia Ukraine conflict have not had a material impact on the Company mainly due to not having any operational footprint and limited trading exposure related to the conflict areas. The Group complies with all sanctions applicable to its business activities. The Company's management believe that it will not have a material impact to the Company's business.

By order of the Board,



Florian Kaufmann, Director  
3 November 2023

## **Gerald Holdings Limited**

### **Directors' responsibilities statement**

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 financial statements in accordance with UK adopted International Accounting Standards and International Financial Reporting Standards (IFRSs) as adopted by the International Accounting Standards Board. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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

## **Independent auditor's report to the members of Gerald Holdings Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Gerald Holdings Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive loss;
- the balance sheet;
- the cash flow statement;
- the statement of changes in equity;
- the statement of significant accounting policies; and
- the related notes 1 to 13.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards and IFRSs as issued by the IASB.

#### **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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

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

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

We have nothing to report in this regard.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house as well as legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

## **Report on other legal and regulatory requirements**

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

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

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.



## 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.



William Eversden, ACA (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom

3 November 2023

## Gerald Holdings Limited

### Statement of comprehensive loss For the year ended 31 December 2022

(expressed in thousands of USD)

	Notes	Year ended 31 December 2022	Year ended 31 December 2021
General administrative and other expenses	6	(100)	(8)
Investment impairment and reserve on account receivables	9/13	-	-
LOSS BEFORE TAX		<u>(100)</u>	<u>(8)</u>
Tax	8	-	-
Comprehensive loss for the year		<u><u>(100)</u></u>	<u><u>(8)</u></u>

All the amounts in the current year and the previous period arise from continuing operations. There are no other items of comprehensive loss other than as included above. Accordingly, no separate statement of other comprehensive loss is presented.

The notes form an integral part of the financial statements.

## Gerald Holdings Limited

### Balance sheet As at 31 December 2022

(expressed in thousands of USD)

	Notes	31 December 2022	31 December 2021
<b><u>ASSETS AND LIABILITIES</u></b>			
<b><u>CURRENT ASSETS:</u></b>			
Cash and cash equivalents		5	5
Accounts receivable from affiliated company	13	7,554	7,554
Total current assets		7,559	7,559
<b><u>NON-CURRENT ASSETS:</u></b>			
Investments in subsidiaries	9	9,112	9,112
Total non-current assets		9,112	9,112
<b><u>CURRENT LIABILITIES:</u></b>			
Accounts payable to affiliated company	13	5,173	5,169
Other payables		115	19
Total current liabilities		5,288	5,188
NET ASSETS		11,383	11,483
<b><u>SHAREHOLDER'S EQUITY:</u></b>			
Share capital	10	774	774
Additional paid in capital	11	50,000	50,000
Retained (deficits)		(39,391)	(39,291)
Total shareholder's equity		11,383	11,483

The notes form an integral part of the financial statements.

The financial statements were approved by the Board of Directors and authorized for issue on 3 November 2023.

Signed on behalf of the Board of Directors,



Florian Kaufmann, Director

Company Registration No. 01999458

## Gerald Holdings Limited

### Cash flow statement

For the year ended 31 December 2022

(expressed in thousands of USD)

	Year ended 31 December 2022	Year ended 31 December 2021
<b>Cash flows (used in) from operating activities:</b>		
Comprehensive loss for the year	(100)	(8)
Adjustments for:		
Investment impairment	-	-
Operating cash flows before movements in working capital	<u>(100)</u>	<u>(8)</u>
<b>Working capital movements:</b>		
Increase/(Decrease) in accounts receivable from affiliated company	-	-
Increase/(Decrease) in accounts payable to affiliated company	4	5
Increase/(Decrease) in other payables	96	3
Net cash flows (used in) from operating activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents - beginning of the year	5	5
<b>Cash and cash equivalents - end of the year</b>	<u><b>5</b></u>	<u><b>5</b></u>

The notes form an integral part of the financial statements.

## Gerald Holdings Limited

### Statement of changes in equity For the year ended 31 December 2022

(expressed in thousands of USD)

	Share Capital	Additional paid in capital	Retained earnings (deficits)	Total
Balance at 1 January 2021	<u>774</u>	<u>50,000</u>	<u>(39,283)</u>	<u>11,491</u>
Comprehensive loss for the year	-	-	(8)	(8)
Balance at 31 December 2021	<u>774</u>	<u>50,000</u>	<u>(39,291)</u>	<u>11,483</u>
Comprehensive loss for the year	-	-	(100)	(100)
Balance at 31 December 2022	<u>774</u>	<u>50,000</u>	<u>(39,391)</u>	<u>11,383</u>

The notes form an integral part of the financial statements.

# Gerald Holdings Limited

## Notes to the financial statements

(expressed in thousands of USD)

### 1. NATURE OF OPERATIONS AND ORGANIZATION OF THE COMPANY

Gerald Holdings Limited ("GHL" or the "Company") is a private company limited by shares and incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales with its registered office at One Strand, Grand Buildings, London. The ultimate controlling party is filed by Gerald Group Limited with Companies House and can be located at [www.gov.uk](http://www.gov.uk). The principal activities of the GHL is to act as a holding company.

GHL is wholly owned by Gerald International Ltd ("GIL"), a private company incorporated on 5 January 2018 in England and Wales with its registered office at One Strand, Grand Buildings, London. GIL's immediate parent and controlling entity of the Gerald Group is Gerald Group Limited ("Gerald Group", formerly known as Gerald MV Limited), a private company incorporated in England and Wales.

### 2. BASIS OF PRESENTATION

The financial statements have been prepared in accordance with UK adopted International Accounting Standards and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. These financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements and deliver them to the Register of Companies. These financial statements present information about the Company as an individual undertaking and not about its group. The Company is included in the consolidated financial statements of Gerald Group Limited as of 31 December 2022. A copy of the consolidated financial statements can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

Under International Accounting Standard ("IAS") 1 – Presentation of Financial Statements, management shall assess an entity's ability to continue as a going concern. With the support from the Gerald group and the Company's current capital, management believes that the Company has the ability to meet all necessary liabilities as they come due and will continue operations for the foreseeable future. Based on this, management has concluded that going concern basis of preparation has been considered appropriate.

### 3. ADOPTION OF NEW AND REVISED STANDARDS

#### Adoption of revised standards

The Company has adopted all the Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on January 1, 2022. The following have been applied for the first time in 2022.

Effective for annual periods beginning on or after		
IAS 16 (amendments)	Property, Plant and Equipment – Proceeds before Intended Use	January 1, 2022
IFRS 3 (amendments)	Amendments to References to the Conceptual Framework in IFRS Standards	January 1, 2022
IAS 37 (amendments)	Onerous Contracts – Cost of Fulfilling a Contract	January 1, 2022

#### **Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use**

This amends the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity will need to recognize these in profit or loss. The application of the amendment did not have material impact on the financial statements.

## Gerald Holdings Limited

### Notes to the financial statements

(expressed in thousands of USD)

#### 3. ADOPTION OF NEW AND REVISED STANDARDS *(continued)*

##### **Amendment to IFRS 3 – Amendments to References to the Conceptual Framework in IFRS Standards**

This amendment updates IFRS 3 to now refer to the 2018 Conceptual Framework instead of the 1989 Framework, to apply IAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination, and to add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination. The application of the amendment did not have material impact on the financial statements.

##### **Amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract**

This amendment specifies that costs that relate directly to a contract can either be incremental costs of fulfilling that contract (i.e. direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (i.e. allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The application of the amendment did not have material impact on the financial statements.

##### **New and revised standards not yet effective**

At the date of issuance of these financial statements, the following Standards and Interpretations were issued or amended but not yet effective:

Effective for annual periods beginning on or after		
IFRS 17	Insurance Contracts	January 1, 2023
IAS 1 (amendments)	Classification of Liabilities	January 1, 2023
IAS 1 (amendments)	Materiality of Accounting Policy Disclosure	January 1, 2023
IAS 8 (amendments)	Definition of Accounting Estimates	January 1, 2023
IAS 12 (amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
IFRS 16 (amendments)	Lease Liability in a Sale and Leaseback	January 1, 2024
IAS 1 (amendments)	Non-current Liabilities with Covenants	January 1, 2024

##### **IFRS 17 – Insurance Contracts**

IFRS 17 will be deferred from the initial application by two annual years to begin on or after January 1, 2023. This amendment includes a clarification of the application of IFRS 17 in interim financial statements allowing an accounting policy choice at a reporting entity level. Additionally, this will include amendments to require an entity that at initial recognition recognizes losses on onerous insurance contracts issued to also recognize a gain on reinsurance contracts held. The Company does not expect any significant changes to the financial statements upon application of these amendments.

##### **Amendments to IAS 1 – Classification of Liabilities**

This amendment only affects the presentation of liabilities in the statement of financial position – not the amount or timing of recognition of any asset, liability, income or expenses, or the information that entities disclose. This amendment also clarifies that the classification of liabilities as current or non-current is based on the rights that are in existence at the end of the reporting period. The Company does not expect any significant changes to the financial statements upon the adoption of the IAS.

##### **Amendments to IAS 1 – Materiality of Accounting Policy Disclosure**

The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies. The Company does not expect any significant changes to the financial statements upon the adoption of the IAS.

# Gerald Holdings Limited

## Notes to the financial statements

(expressed in thousands of USD)

### 3. ADOPTION OF NEW AND REVISED STANDARDS *(continued)*

#### Amendments to IAS 8 – Definition of Accounting Estimates

This amendment replaces the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The Company does not expect any significant changes to the financial statements upon the adoption of the IAS.

#### Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

These amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise in initial recognition. The Company does not expect any significant changes to the financial statements upon the adoption of the IAS.

#### Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback

The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The Company does not expect any significant changes to the financial statements upon the adoption of the amendment.

#### Amendments to IAS 1 – Non-current Liabilities with Covenants

The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The Company does not expect any significant changes to the financial statements upon the adoption of the amendment.

### 4. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in preparing the financial statements of the Company are as follows:

#### Foreign currencies

The Company’s financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency). For the purpose of the financial statements, the results and financial position are expressed in United States dollars (“USD”), which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements of the Company, transactions in currencies other than the Company’s functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in the statement of comprehensive loss in the period in which they arise except for:

- Exchange differences on transactions entered into in order to hedge certain foreign currency risks; and included in statement of comprehensive loss;
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which forms part of the net investment in a foreign operation, and which are recognized in the foreign currency translation reserve and recognized in profit or loss on disposal of the net investment.

Monetary assets and liabilities denominated in other currencies are translated into USD at the rate of exchange prevailing at the balance sheet date. Non-monetary assets and liabilities are measured at historical exchange rates. Transactions which occurred during the year denominated in currencies other than USD are translated at the actual rate of exchange for the transaction. The resulting exchange differences, if any, are recognized in the statement of comprehensive loss.



# Gerald Holdings Limited

## Notes to the financial statements

(expressed in thousands of USD)

### 4. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

#### **Impairment of tangible assets**

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets, to determine whether there is an indication that those assets have experienced 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, if any.

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.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased, to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in the statement of comprehensive loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### **Financial instruments**

Financial assets and financial liabilities are recognized on the balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets are classified as either financial assets at amortized cost, FVTOCI or FVTPL depending on the business model for managing the financial assets and the

nature of the contractual cash flow characteristics of the financial asset. Financial liabilities are classified as either financial liabilities at amortized cost or FVTPL.

A loss allowance for expected credit losses is determined for all financial assets, other than those at FVTPL, at the end of each reporting period. The expected credit loss recognized represents a probability-weighted estimate of credit losses over the expected life of the financial asset.

#### **Cash and cash equivalents**

Highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less when purchased.

#### **Provisions**

The Company records provisions when it has an obligation to satisfy a claim, it is probable that an outflow of Company resources will be required to satisfy the obligation and a reliable estimate of the amount can be made.

In the case of litigation and claims relating to services rendered, the amount that is ultimately recorded is the result of a complex process of assessment of a number of variables, and relies on Management's judgment, as informed by expert legal advice, about the circumstances surrounding the past provision of services. Changes in estimates are reflected in the statement of comprehensive loss in the period in which the change occurs.

#### **Revenue recognition**

Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognized using the original effective interest rate.

Dividend income from investments is recognized when the shareholder's rights to receive payment have been established.

# Gerald Holdings Limited

## Notes to the financial statements

(expressed in thousands of USD)

### 4. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

#### Expense recognition

Expenses are recognized in the period when they are incurred.

#### Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the period. Taxable income differs from income before tax as reported in the statement of comprehensive loss because it excludes items of income and expenses that are taxable or deductible in other periods and it further excludes items that are neither taxable nor deductible.

The Company's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit, or in the case of a taxable temporary difference only, the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income 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 realized. Deferred tax is charged or credited to the statement of comprehensive loss.

#### Dividends

Dividends are reported as a movement in equity in the period when they are approved by the shareholders.

#### Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

# Gerald Holdings Limited

## Notes to the financial statements

(expressed in thousands of USD)

### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

#### Judgments

In the process of applying the Company's accounting policies (note 4), Management makes estimates and assumptions that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual outcomes could differ from those estimates. Estimates are used in accounting for allowances, taxes and provisions.

Estimates and assumptions are reviewed periodically and the effects of any changes in estimates are reflected in the statement of comprehensive loss.

The Company identifies a policy as being significant when it requires Management to make complex and/or subjective judgments and estimates about matters that are inherently uncertain. In the process of applying the Company's accounting policies described above, Management has made the following judgments that have a significant effect on the amounts recognized in the financial statements:

Allowances - During the period ended 31 December 2022, the Company did not record any allowance (2021: nil).

#### Use of estimates

The key assumptions concerning the future, and other key sources of estimation at the balance sheet date that have a risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are discussed below:

Recoverability of trade accounts and other receivables – Trade accounts and other receivables are reflected net of an estimated allowance for expected credit losses. These allowances, when recorded, are estimated based primarily on the Company's aging policy guidelines, individual client analysis and an analysis of the underlying risk profile of each major revenue stream by business and geography.

### 6. GENERAL ADMINISTRATIVE AND OTHER EXPENSES

	Year ended 31 December 2022	Year ended 31 December 2021
Auditors' remuneration - audit services	(5)	(5)
Other administrative costs	(95)	(3)
	<u>(100)</u>	<u>(8)</u>

### 7. EMOLUMENTS OF DIRECTORS AND STAFF PARTICULARS

The Company had no employees during the period and made no emoluments to directors (Dec 2021: No employee – No Directors' emoluments).

## Gerald Holdings Limited

### Notes to the financial statements

(expressed in thousands of USD)

#### 8. TAXATION

##### a) Tax on ordinary activities

The total tax charge is made up as follows:

	Year ended 31 December 2022	Year ended 31 December 2021
Total tax charge	-	-
UK corporate tax	-	-
Total tax charge	-	-

##### b) Factors affecting total tax charge

	Year ended 31 December 2022	Year ended 31 December 2021
Loss before tax	(100)	(8)
Theoretical tax at UK corporation tax rate of 19.00% (Dec 2021: 19.00%)	19	2
Permanent difference	(19)	(2)
Total tax charge	-	-

As per the 2021 UK Budget the Corporation tax rate will change from 19% to 25% for companies with profits over £250,000 from 1st April 2023.

The Company has losses carried forward for USD 573 (Dec 2021: USD 554) for which no deferred tax has been recognised.

## Gerald Holdings Limited

### Notes to the financial statements

(expressed in thousands of USD)

#### 9. INVESTMENTS IN SUBSIDIARIES

	31 December 2022	31 December 2021
Balance as at 1 January	9,112	9,112
Balance as at 31 December	<u>9,112</u>	<u>9,112</u>

The below listing represents subsidiaries held directly or indirectly by the Company and the Company's portion of controlling or voting interest as of 31 December 2022 :

Name of interest	Principal activities	Country of registration	Ordinary Shares %
Gerald Limited (1)	Investment holding company	United Kingdom	100
Gerald UK Limited (2)	Trading and investment holding company	United Kingdom	100
Gerald Metals Limited (3)	Investment holding company	United Kingdom	100

(1) Held directly by Gerald Holdings Limited.

(2) Held indirectly through Gerald Limited.

(3) Held indirectly through Gerald UK Limited.

Gerald Limited, Gerald UK Limited and Gerald Metals Limited registered office: One Strand, Grand Buildings, Trafalgar Square, London WC2N 5HR.

In the Directors' view, the fair value of these investments is not less than their carrying value.

# Gerald Holdings Limited

## Notes to the financial statements

(expressed in thousands of USD)

### 10. SHARE CAPITAL

	31 December 2022	31 December 2021
<b>Authorised, issued and fully paid:</b>		
500,000 (Dec 2021: 500,000) ordinary shares of £1 each	<u>774</u>	<u>774</u>

### 11. ADDITIONAL PAID IN CAPITAL

	31 December 2022	31 December 2021
Additional paid in capital	<u>50,000</u>	<u>50,000</u>

### 12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Components of the Company's business could be impacted by various external factors namely, political events, unfavourable action by governments, natural catastrophes, and other macroeconomic events like recession. It is the Gerald group's policy to actively manage such risks in order to mitigate the impacts where possible. The Gerald group manages its capital to ensure that entities in the Gerald group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from the previous period.

The capital structure of the Company consists of cash and cash equivalents and equity attributable to shareholder of the parent.

The Company's activity is exposed to a number of financial risks arising from external factors. These include credit risks and liquidity risks.

Risk management is carried out by the Gerald group's financial and risk professionals who report to Senior Management on a regular basis entailing a significant amount of coordination with the various commodity departments. There have been no significant changes in the manner the Gerald group manages the exposures in the financial risks faced by the Company.

The accounting classification of each category of financial instruments and their carrying amounts are set out below:

31 December 2022	Notes	Financial instruments measured at amortised cost	Total Carrying Amount
<b>Financial assets</b>			
Cash and cash equivalents		5	5
Accounts receivable from affiliated company	13	7,554	7,554
<b>Financial liabilities</b>			
Accounts payable to affiliated company	13	(5,173)	(5,173)
Other payables		(115)	(115)
		<u>2,271</u>	<u>2,271</u>

## Gerald Holdings Limited

### Notes to the financial statements

(expressed in thousands of USD)

#### 12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

31 December 2021	Notes	Financial instruments measured at amortised cost	Total Carrying Amount
Financial assets			
Cash and cash equivalents		5	5
Accounts receivable from affiliated company	13	7,554	7,554
Financial liabilities			
Accounts payable to affiliated company	13	(5,169)	(5,169)
Other payables		(19)	(19)
		<u>2,371</u>	<u>2,371</u>

The financial instruments' carrying amount are either the fair value, or approximates fair value.

##### Credit risk

Credit risk refers to the risk that counterparty will fail to perform or fail to pay amounts resulting in financial loss to the Company. Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of cash and cash equivalents, accounts receivables from affiliated companies. As of 31 December 2022, the maximum credit exposure was USD 7,559 (Dec 2021: USD 7,559) referring to the carrying value of financial assets.

As of 31 December 2022 and 31 December 2021, the Company held no third-parties receivables balances.

##### Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations when due. The Gerald group's Treasury department monitors the liquidity risk and uses for this purpose a number of liquidity risk management techniques for the management of the Company's short- and medium-term funding and liquidity requirements. Prudent liquidity risk management implies maintaining for the Company the availability of funding through an adequate amount of credit arrangements with the Gerald group when required. During the year ended 31 December 2022 and 2021, the Company held no payment obligations beyond a year.

## Gerald Holdings Limited

### Notes to the financial statements

(expressed in thousands of USD)

#### 13. RELATED PARTY TRANSACTIONS

The Company had the following related party balances as of 31 December 2022 and 2021.

	31 December 2022	31 December 2021
<b>Accounts receivable from affiliated company</b>		
Gerald International Limited	7,554	7,554
	<u>7,554</u>	<u>7,554</u>
	31 December 2022	31 December 2021
<b>Accounts payable to affiliated company</b>		
Gerald Limited	5,173	5,169
	<u>5,173</u>	<u>5,169</u>

The related party balances are unsecured, interest-free and repayable on demand unless otherwise stated.