

Company registration number 2464910 (England and Wales)

PETER HAMBRO LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

PETER HAMBRO LIMITED

COMPANY INFORMATION

Directors	P C P Hambro L.P. Hambro T.B.M Holcroft
Secretary	T.B.M. Holcroft
Company number	2464910
Registered office	15 Belgrave Square London SW1X 8PS
Auditor	Heywards 2nd Floor 21-22 Great Castle Street London W1G 0HZ
Bankers	Barclays Plc 1 Churchill Place London E14 5HP SG Hambro Bank Limited Norfolk House 31 St James's Square London SW1Y 4JR

PETER HAMBRO LIMITED

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PETER HAMBRO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the company and group continued to be that of merchant financing. This involves the provision and arrangement of finance for customers that, in turn, may involve (but is not limited to) any combination of loans, equity participation and the purchase of sales and stocks, share and precious or base metals or other products. In addition to its own staff the Group engages the services of external consultants who are experts in geology, process engineering, accountancy and other fields related to its mining interests. Management, consultancy and financing services are supplied by the Group to its customers on a fee basis. The Group also owns agricultural land and farms it.

Results and dividends

The group's loss for the year after taxation amounted to £288,040 (2020 Profit £282,291).

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

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

P C P Hambro
L.P. Hambro
T.B.M Holcroft

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

T.B.M Holcroft
Director

23 September 2022

PETER HAMBRO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PETER HAMBRO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PETER HAMBRO LIMITED

Opinion

We have audited the financial statements of Peter Hambro Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the group profit and loss account, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2021 and of the group's 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 group and parent 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 group's and parent 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.

Opinions on other matters prescribed by the Companies Act 2006

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

PETER HAMBRO LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PETER HAMBRO LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

PETER HAMBRO LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PETER HAMBRO LIMITED

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Samuels
Senior Statutory Auditor
For and on behalf of Heywards

23 September 2022

Chartered Accountants
Statutory Auditor

2nd Floor
21-22 Great Castle Street
London
W1G 0HZ

PETER HAMBRO LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover		399,196	301,632
Cost of sales		(121,421)	(134,610)
Gross profit		277,775	167,022
Administrative expenses		(633,358)	(496,633)
Operating loss		(355,583)	(329,611)
Profit/(loss) on disposal of other investments		7,362	278,697
Interest receivable and similar income	6	16,049	34,944
Interest payable and similar expenses		(45,829)	(500)
Fair value adjustments on investments	7	126,878	352,118
(Loss)/profit before taxation		(251,123)	335,648
Tax on (loss)/profit		4,600	(53,357)
(Loss)/profit for the financial year	16	(246,523)	282,291

(Loss)/profit for the financial year is all attributable to the owners of the parent company.

PETER HAMBRO LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	8	7,119,198		4,928,053	
Investments	9	3,191,911		3,435,447	
		<u>10,311,109</u>		<u>8,363,500</u>	
Current assets					
Stocks		66,645		15,466	
Debtors falling due after more than one year	11	3,011,113		3,011,113	
Debtors falling due within one year	11	1,205,610		1,498,763	
Cash at bank and in hand		<u>1,456,507</u>		<u>1,012,115</u>	
		5,739,875		5,537,457	
Creditors: amounts falling due within one year	12	<u>(515,573)</u>		<u>(158,064)</u>	
Net current assets		<u>5,224,302</u>		<u>5,379,393</u>	
Total assets less current liabilities		<u>15,535,411</u>		<u>13,742,893</u>	
Creditors: amounts falling due after more than one year	13	<u>(2,091,301)</u>		<u>(52,260)</u>	
Net assets		<u><u>13,444,110</u></u>		<u><u>13,690,633</u></u>	
Capital and reserves					
Called up share capital	15	500		500	
Profit and loss reserves	16	<u>13,443,610</u>		<u>13,690,133</u>	
Total equity		<u><u>13,444,110</u></u>		<u><u>13,690,633</u></u>	

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

The financial statements were approved by the board of directors and authorised for issue on 23 September 2022 and are signed on its behalf by:

P C P Hambro
Director

T.B.M Holcroft
Director

PETER HAMBRO LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	8	7,119,198		4,928,053	
Investments	9	9,460,582		9,704,118	
		<u>16,579,780</u>		<u>14,632,171</u>	
Current assets					
Stocks		66,645		15,466	
Debtors falling due after more than one year	11	3,013,752		3,013,752	
Debtors falling due within one year	11	1,205,610		1,498,763	
Cash at bank and in hand		1,456,507		1,012,115	
		<u>5,742,514</u>		<u>5,540,096</u>	
Creditors: amounts falling due within one year	12	<u>(6,788,665)</u>		<u>(6,431,156)</u>	
Net current liabilities			<u>(1,046,151)</u>		<u>(891,060)</u>
Total assets less current liabilities			<u>15,533,629</u>		<u>13,741,111</u>
Creditors: amounts falling due after more than one year	13		<u>(2,090,541)</u>		<u>(51,500)</u>
Net assets			<u>13,443,088</u>		<u>13,689,611</u>
Capital and reserves					
Called up share capital	15		500		500
Revaluation reserve			5,665,134		5,665,134
Profit and loss reserves	16		7,777,454		8,023,977
Total equity			<u>13,443,088</u>		<u>13,689,611</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £246,523 (2020 - £282,291 profit).

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

The financial statements were approved by the board of directors and authorised for issue on 23 September 2022 and are signed on its behalf by:

P C P Hambro
Director

T.B.M Holcroft
Director

Company Registration No. 2464910

PETER HAMBRO LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2020	500	13,407,842	13,408,342
Year ended 31 December 2020:			
Profit and total comprehensive income for the year	-	282,291	282,291
Balance at 31 December 2020	500	13,690,133	13,690,633
Year ended 31 December 2021:			
Loss and total comprehensive income for the year	-	(246,523)	(246,523)
Balance at 31 December 2021	500	13,443,610	13,444,110

PETER HAMBRO LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2020	500	5,665,134	7,741,686	13,407,320
Year ended 31 December 2020:				
Profit and total comprehensive income for the year	-	-	282,291	282,291
Balance at 31 December 2020	500	5,665,134	8,023,977	13,689,611
Year ended 31 December 2021:				
Loss and total comprehensive income for the year	-	-	(246,523)	(246,523)
Balance at 31 December 2021	500	5,665,134	7,777,454	13,443,088

PETER HAMBRO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Peter Hambro Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 15 Belgrave Square, London SW1X 8PS.

The group consists of Peter Hambro Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Peter Hambro Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

PETER HAMBRO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land	No depreciation
Freehold buildings	2% straight line
Office equipment - other	15% straight line
Office equipment - computers	33.33% straight line
Computers	33.33% straight line
Plant and machinery	10% straight line
Motor vehicles	25% straight line

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

1.6 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

PETER HAMBRO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

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

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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

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

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) 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 recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or 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.

1.8 Stocks

Stocks include trading investments and consumables which are valued at the lower of cost and net realisable value. The cost includes all costs in bringing the item into the business. Net realisable value is the estimated selling price less any cost of disposal.

PETER HAMBRO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

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

1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end 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 have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

PETER HAMBRO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

PETER HAMBRO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Deferred tax

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

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

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2 Judgements and key sources of estimation uncertainty

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

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

3 Auditor's remuneration

	2021	2020
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	7,500	7,500
	=====	=====

PETER HAMBRO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Auditor's remuneration (Continued)

For other services

Taxation compliance services	1,500	1,500
	<u>1,500</u>	<u>1,500</u>

4 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Total	4	3	4	3
	<u>4</u>	<u>3</u>	<u>4</u>	<u>3</u>

5 Directors' remuneration

	2021 £	2020 £
Remuneration paid to directors	239,500	239,500
	<u>239,500</u>	<u>239,500</u>

6 Interest receivable and similar income

	2021 £	2020 £
Other interest receivable and similar income	16,049	34,944
	<u>16,049</u>	<u>34,944</u>

7 Amounts written off investments

	2021 £	2020 £
Fair value gains/(losses)		
Gain on financial assets held at fair value through profit or loss	126,878	352,118
	<u>126,878</u>	<u>352,118</u>

PETER HAMBRO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Tangible fixed assets

Group	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2021	4,934,994	12,469	4,947,463
Additions	2,199,867	-	2,199,867
Disposals	-	(4,814)	(4,814)
At 31 December 2021	7,134,861	7,655	7,142,516
Depreciation and impairment			
At 1 January 2021	8,802	10,608	19,410
Depreciation charged in the year	7,874	848	8,722
Eliminated in respect of disposals	-	(4,814)	(4,814)
At 31 December 2021	16,676	6,642	23,318
Carrying amount			
At 31 December 2021	7,118,185	1,013	7,119,198
At 31 December 2020	4,926,192	1,861	4,928,053
Company			
	£	£	£
Cost			
At 1 January 2021	4,934,994	12,469	4,947,463
Additions	2,199,867	-	2,199,867
Disposals	-	(4,814)	(4,814)
At 31 December 2021	7,134,861	7,655	7,142,516
Depreciation and impairment			
At 1 January 2021	8,802	10,608	19,410
Depreciation charged in the year	7,874	848	8,722
Eliminated in respect of disposals	-	(4,814)	(4,814)
At 31 December 2021	16,676	6,642	23,318
Carrying amount			
At 31 December 2021	7,118,185	1,013	7,119,198
At 31 December 2020	4,926,192	1,861	4,928,053

PETER HAMBRO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

9 Fixed asset investments

	Group 2021 £	2020 £	Company 2021 £	2020 £
Listed investments	334,477	891,435	334,477	891,435
Unlisted investments	2,857,434	2,544,012	2,857,434	2,544,012
	<u>3,191,911</u>	<u>3,435,447</u>	<u>9,460,582</u>	<u>9,704,118</u>

Movements in fixed asset investments Group

Cost or valuation

At 1 January 2021	Investments £
Additions	3,435,447
Valuation changes	315,034
Disposals	126,226
	<u>(684,796)</u>
At 31 December 2021	<u>3,191,911</u>

Carrying amount

At 31 December 2021	<u>3,191,911</u>
At 31 December 2020	<u>3,435,447</u>

Movements in fixed asset investments Company

	Shares in subsidiaries £	Other investments £	Total £
Cost or valuation			
At 1 January 2021	6,268,671	3,435,447	9,704,118
Additions	-	315,034	315,034
Valuation changes	-	126,226	126,226
Disposals	-	(684,796)	(684,796)
At 31 December 2021	<u>6,268,671</u>	<u>3,191,911</u>	<u>9,460,582</u>
Carrying amount			
At 31 December 2021	<u>6,268,671</u>	<u>3,191,911</u>	<u>9,460,582</u>
At 31 December 2020	<u>6,268,671</u>	<u>3,435,447</u>	<u>9,704,118</u>

PETER HAMBRO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
H & H Mining (Investments) Limited	England and Wales	Ordinary	100.00	-
Blaxmill (Forty) Limited	England and Wales	Ordinary	100.00	-
Goosebeck Trading Limited	England and Wales	Ordinary	0	100.00
Nemofield Limited	England and Wales	Ordinary	0	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves	Profit/(Loss)
	£	£
H & H Mining (Investments) Limited	6,255,671	-
Blaxmill (Forty) Limited	11,022	-
Goosebeck Trading Limited	1	-
Nemofield Limited	2,640	-

11 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
Amounts falling due within one year:				
Trade debtors	-	16,247	-	16,247
Other debtors	1,205,610	1,482,516	1,205,610	1,482,516
	<u>1,205,610</u>	<u>1,498,763</u>	<u>1,205,610</u>	<u>1,498,763</u>
Amounts falling due after more than one year:				
Amounts owed by group	-	-	2,639	2,639
Other debtors	3,011,113	3,011,113	3,011,113	3,011,113
	<u>3,011,113</u>	<u>3,011,113</u>	<u>3,013,752</u>	<u>3,013,752</u>
Total debtors	<u>4,216,723</u>	<u>4,509,876</u>	<u>4,219,362</u>	<u>4,512,515</u>

PETER HAMBRO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Creditors: amounts falling due within one year

	Group 2021 £	2020 £	Company 2021 £	2020 £
Trade creditors	4,233	20,081	4,233	20,081
Amounts owed to group undertakings	-	-	6,273,092	6,273,092
Corporation tax payable	-	50,329	-	50,329
Other taxation and social security	16,832	10,148	16,832	10,148
Other creditors	494,508	77,506	494,508	77,506
	<u>515,573</u>	<u>158,064</u>	<u>6,788,665</u>	<u>6,431,156</u>

13 Creditors: amounts falling due after more than one year

	Group 2021 £	2020 £	Company 2021 £	2020 £
Notes				
Other creditors	2,039,041	-	2,039,041	-
C Deferred Shares	1,500	1,500	1,500	1,500
Deferred Shares	50,760	50,760	50,000	50,000
	<u>2,091,301</u>	<u>52,260</u>	<u>2,090,541</u>	<u>51,500</u>

C Deferred shares in the Company comprise 150,000 C deferred Shares of 1p each. These Deferred Shares have no voting rights and are not entitled to participate in the profits or assets of the Company.

Deferred shares in the Company comprise 50,000 deferred shares of £1 each issued on 19 October 2005. These deferred shares, in priority to the holders of any class of share, shall confer on the holders thereof the right to a fixed cumulative preferential dividend of 1% per annum on the nominal value. They do not have any voting rights and are not entitled to participate in the profits or assets of the Company. On a winding up they rank in priority to any other class of share in respect of repayment.

Deferred shares in the Subsidiary comprise 760 Deferred shares of £1 each. These Deferred shares have no voting rights and are not entitled to participate in the profits or assets of the Company.

14 Loans and overdrafts

	Group 2021 £	2020 £	Company 2021 £	2020 £
Other loans	<u>2,547,589</u>	<u>52,260</u>	<u>2,546,829</u>	<u>51,500</u>
Payable within one year	456,288	-	456,288	-
Payable after one year	<u>2,091,301</u>	<u>52,260</u>	<u>2,090,541</u>	<u>51,500</u>

PETER HAMBRO LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

15 Share capital

Group and company	2021	2020	2021	2020
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
A Ordinary Shares of 1p each	25,500	25,500	255	255
B Ordinary Shares of 1p each	24,500	24,500	245	245
	<u>50,000</u>	<u>50,000</u>	<u>500</u>	<u>500</u>

The A and B ordinary shares have equivalent rights in respect of distribution and voting.

16 Profit and loss reserves

	Group 2021	2020	Company 2021	2020
	£	£	£	£
At the beginning of the year	13,690,133	13,407,842	8,023,977	7,741,686
Profit/(loss) for the year	(246,523)	282,291	(246,523)	282,291
At the end of the year	<u>13,443,610</u>	<u>13,690,133</u>	<u>7,777,454</u>	<u>8,023,977</u>

17 Operating lease commitments

Lessee

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

Group 2021	2020	Company 2021	2020
£	£	£	£
33,627	-	33,627	-

18 Related party transactions

Transactions with related parties

The company has advanced loans to Tidal Transit Holdings Limited, a company of which L.P. Hambro is a director. Included in interest receivable is an amount of £Nil (2020 : £Nil) due on these loans. An amount of £3,011,113 is outstanding at the year end (2020 : £3,011,113).

The company has advanced loans to Sundeala Limited, a company of which P.C.P. Hambro and L.P. Hambro are directors. Included in interest receivable is an amount of £15,867 (2020 : £8,556) due on these loans. An amount of £299,423 is outstanding at the year end (2020 : £233,556).

19 Controlling party

The ultimate controlling party of the company is P.C.P. Hambro by virtue of his shareholding.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.