

Global Commodities Holdings Limited
(previously Global Coal Limited)

REPORT AND FINANCIAL STATEMENTS

Year Ended 31 December 2020



Company Registration No. 04007764

Global Commodities Holdings Limited

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Global Commodities Holdings Limited

COMPANY INFORMATION

DIRECTORS

Martin Abbott
Marc R Bailey
Ivan M Bondarenko
Andrew D Clark
Christopher C Garnett
Davide Giuliani
Ian F N Hall
Jeremie Louis
Mauro Montenero
Tor C Peterson
Carlos S Portela
Martin Rozendaal
Natsuki Tsukada
Craig R Wiggill

COMPANY SECRETARY

Andrew Goldsmith

REGISTERED OFFICE

1st Floor
30 Coleman Street
London
United Kingdom
EC2R 5AL

AUDITOR

RSM UK Audit LLP
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Global Commodities Holdings Limited

DIRECTORS' REPORT

The directors hereby submit their report and the financial statements of Global Commodities Holdings Limited (previously Global Coal Limited) for the year ended 31 December 2020. The Company changed its name on 14 January 2020.

PRINCIPAL ACTIVITIES

The principal activities of the Company are the development of standardised physical contracts for the international coal market, the provision brokerage services for the bi-lateral trading of physical and financial contracts for coal and the provision of international coal price indices.

RESULTS AND DIVIDENDS

The Company's trading profit for the year after taxation was \$1,794,070 (2019: \$2,059,609).

The interim dividend for 31 December 2019 of \$2,563,674 was paid during the year and there are no dividends payable at the year end.

DIRECTORS

The following directors have held office since 1 January 2020:

Martin Abbott
Marc R Bailey
Ivan M Bondarenko
Andrew D Clark (appointed 18 March 2020)
Zaheer Docrat (resigned 18 March 2020)
Christopher C Garnett
Davide Giuliani
Ian F N Hall
Jeremie Louis
James R May (appointed 7 October 2020, resigned 31 January 2021)
Mauro Montenero
Tor C Peterson
Carlos S Portela
Simon R Richmond (resigned 12 August 2020)
Martin Rozendaal
Natsuki Tsukada
Craig R Wiggill

BRANCHES OUTSIDE THE UK

The Company has a branch office in Singapore for the purpose of marketing in the Asia / Pacific region. The branch is treated as a cost centre and as such all related expenditure is fully incorporated into these financial statements.

STATEMENT AS TO DISCLOSURE OF INFORMATION 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, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Global Commodities Holdings Limited

DIRECTORS' REPORT

MATTERS OF STRATEGIC IMPORTANCE

The company has chosen in accordance with Companies Act 2006, s414C(11) to set out in the company's Strategic Report information required by Large and Medium-sized companies and Groups (Accounts and Reports) Regulations 2008, Sch.7 to be contained in the Directors' Report. It has done so in respect of future developments and research and development.

THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

Qualifying third party provision is in place for the benefit of all directors of the Company.

RE-APPOINTMENT OF AUDITOR

In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of RSM UK Audit LLP as auditor of the Company.

By order of the board on 17 March 2021.

A handwritten signature in black ink, appearing to be 'M. Abbott', with a long horizontal line extending to the right.

Martin Abbott
Director

Global Commodities Holdings Limited

STRATEGIC REPORT

The directors present their strategic report of the Company for the year ended 31 December 2020.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Whilst brokered commodity markets remain subdued, the Company delivered positive returns for shareholders, once again proving the value of revenue diversity within the business model. Membership subscriptions were stable, and the majority of Market members have remained on the higher membership fee introduced in 2018. The volume of physically brokered coal was impacted by the ongoing decline in European thermal coal demand coupled with the negative effect of the global pandemic. Revenue derived from data and Index licensing proved a resilient income stream and allowed for an improved financial performance, despite a softening in on-exchange activity. The project to commercialise data, which began in the fourth quarter of 2018, achieved favourable results in 2020, exceeding prior year's performance. Plans are in place to expand this initiative towards a wider pool of users in 2021 and ensuing years.

The Company's business is focused on delivering services exclusively to institutional players in the physical and financial coal trading market, and will look at opportunities in adjacent markets.

The Company completed the year in a strong financial position, with no debt and a healthy capitalisation.

Research and Development

The Company continues to invest in the development of its Standard Coal Trading Agreement (SCoTA), refining the contract and adding delivery locations. The company also recognises the strength of the existing business model in bringing pricing transparency to OTC markets that are not particularly liquid, and started several work streams in the year with the intention of identifying new commodities that might be brought into the business model.

Principal Risks & Uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The principal uncertainties facing the Company are reviewed regularly by the Board and actions put in place to mitigate identified risks. The Company has exposure to the following key risks:

- Changing regulatory framework in various jurisdictions
- Downturn in levels of demand from clients.
- Competitive pressure on commission rates.

The Board has implemented appropriate internal processes in order to mitigate the impact of these key risks to business performance. An assessment of business performance is carried out quarterly by management, and is reviewed by the board, by measuring quarterly results based on a variety of key performance indicators including but not limited to:

- Earnings before interest, taxes, and amortisation (EBITA)
- Debtor days

Risk Considerations in Respect of Covid-19

The uncertainties the Covid-19 crises continues to pose on the worldwide economy is palpable. At the beginning of the year, the management performed an initial review using a top-down approach in analysing its financial position, as well as a complete re-evaluation of its business plans and forecasts to determine the key risks and the impact the outbreak had on the business. In doing so, the below additional risk was identified:

- Reduction in workforce efficiency

Directly as a result of the lockdown imposed in the UK in March 2020, timely provisions were made allowing business operations to continue remotely at similar levels of efficiency when compared with pre-pandemic times. This was achieved by making necessary investments in Information Technology and media solutions.

Global Commodities Holdings Limited

STRATEGIC REPORT

Having reached the end of the financial year in a profitable position, the management, while mindful of the extent to which cost savings in certain areas contributed to positive year-end results, remains satisfied that the steps taken within its control to mitigate the impact of covid-19 is sufficient. The same mitigations will be applied in succeeding periods; until Governments and global health regulators provide sufficient signals that the pandemic no longer carries a significant risk to human life.

Section 172 Disclosures

This statement sets out how the Directors of Global Commodities Holdings Limited (GCHL) have fulfilled their duty to comply with the requirements of section 172 of the Companies Act 2006 and explains how the directors have had regard to broader stakeholder interests when making decisions to promote the success of the business.

Basis of Decision Making and Engagement with Stakeholders

Business decisions are made with the needs of our key stakeholders in mind, in particular: customers, shareholders, employees, suppliers and regulators.

Engaging with Stakeholders

Our employees

The directors acknowledge that in order to meet the goals and ambitions of the business, it is imperative to recruit and retain talented people. The business operates within a niche market and its success will be determined by the ability of its employees to communicate with clients, work within a dynamic and supportive culture with a focus on achieving positive outcomes.

The directors ensure that staff are remunerated at market rates and are further incentivised through various bonus schemes, which are based on multiple metrics tailored to individual and team KPIs.

The employee's welfare is important to the directors, therefore alongside competitive remuneration the business offers a comprehensive benefits package including private healthcare and life assurance.

Our customers

Many of GHCL's clients have enjoyed a long term relationship with the company. During the lockdown we have maintained close contact with them and ensured service levels do not fall short of the high standards provided in pre-pandemic times.

Our regulators

The company is regulated by the Financial Conduct Authority (FCA). The directors view this regulation as a positive factor as it provides greater confidence in the markets within which the business and its customers operate. The directors continue to engage with the FCA in an open and co-operative manner.

Our suppliers

The company has a variety of service providers and suppliers. Great care is taken to ensure that agreements are entered into with reputable providers and duly perform background checks to maintain the integrity of our relationship with our suppliers.

The impact of the Company's Operations on the community and the environment

The management encourages staff to act responsibly and in an environmentally friendly manner. All staff are reminded of effective means of reducing waste, avoiding unnecessary travel and recycling materials whenever possible.

Stakeholder implications

The directors coronavirus related decisions have been taken with a view to protecting the interests of all stakeholders, by protecting staff, ensuring the continued and effective functioning of the company.

Global Commodities Holdings Limited

STRATEGIC REPORT

Future Outlook

Management do not consider there to be any significant future developments as at 31 December 2020 and plan for the company to continue trading as it has in 2020. The Company performed well in 2020 and although the competitive environment remains challenging, the directors believe that the Company will continue to be a going concern.

By order of the board on 17 March 2021

A handwritten signature in black ink, appearing to be 'M. Abbott', with a long horizontal line extending to the right.

Martin Abbott
Director

Global Commodities Holdings Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report and the Directors' 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 Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Global Commodities Holdings Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL COMMODITIES HOLDINGS LIMITED

Opinion

We have audited the financial statements of Global Commodities Holdings Limited (the 'company') for the year ended 31 December 2020 which comprise statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 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

Global Commodities Holdings Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL COMMODITIES HOLDINGS LIMITED

statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, 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.

Global Commodities Holdings Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL COMMODITIES HOLDINGS LIMITED

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud having obtained an understanding of the effectiveness of the control environment.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102 and compliance with the Companies Act 2006 and Tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included, reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to Financial Conduct Authority regulations. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

The audit engagement team identified the risk of management override of controls as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Global Commodities Holdings Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL COMMODITIES HOLDINGS LIMITED

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.

RSM UK Audit LLP

MALCOLM PIROUET (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

24 March 2021

Global Commodities Holdings Limited

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2020

	Notes	2020 \$	2019 \$
Turnover	5	9,226,918	9,888,733
Cost of sales		(927,643)	(700,207)
Gross profit		<u>8,299,275</u>	<u>9,188,526</u>
Administrative expenses		(5,977,470)	(6,721,617)
Operating profit		<u>2,321,805</u>	<u>2,466,909</u>
Interest receivable and similar income		16,996	81,178
Profit before taxation	6	<u>2,338,801</u>	<u>2,548,087</u>
Taxation	8	(544,731)	(488,478)
Profit after taxation and profit for the financial year	18	<u>1,794,070</u>	<u>2,059,609</u>
Other comprehensive income		-	-
Total Comprehensive income for the year		<u><u>1,794,070</u></u>	<u><u>2,059,609</u></u>

Turnover and Operating Profit for the year arise from continuing operations.

Global Commodities Holdings Limited

STATEMENT OF FINANCIAL POSITION

31 December 2020

Company Registration Number: 04007764

	Notes	2020 \$	2019 \$
Fixed assets			
Tangible assets	10	135,227	204,625
Other intangible assets	11	91,668	160,693
		<u>226,895</u>	<u>365,318</u>
Current assets			
Debtors	12	1,603,299	1,385,636
Cash at bank and in hand		11,353,570	12,169,482
		<u>12,956,869</u>	<u>13,555,118</u>
Current Liabilities			
Creditors: Amounts falling due within one year	13	(3,516,316)	(6,040,704)
Net current assets		<u>9,440,553</u>	<u>7,514,414</u>
Provision for Liabilities	14	-	(6,354)
Net assets		<u>9,667,448</u>	<u>7,873,378</u>
Capital and reserves			
Called up share capital	15	6,238	6,238
Share premium account	16	5,374,258	5,374,258
Capital redemption account	17	42,292	42,292
Profit and loss account	18	4,273,975	2,479,905
Foreign exchange reserve	19	(29,315)	(29,315)
Total equity		<u>9,667,448</u>	<u>7,873,378</u>

The financial statements on pages 13 to 29 were approved and authorised for issue by the board of directors on 17 March 2021 and are signed on its behalf by:



M Abbott
Director

Global Commodities Holdings Limited

STATEMENT OF CHANGES IN EQUITY

31 December 2020

	Notes	Ordinary Share Capital	Share Premium	Special Deferred Shares	Capital Redemption Reserve	Foreign Currency Translation Reserve	Profit and loss account	Total
		\$	\$	\$	\$	\$	\$	\$
Balance as at 1 January 2019		6,236	5,374,258	2	42,292	(29,315)	2,983,970	8,377,443
Profit for the year and total comprehensive income for the year	18	-	-	-	-	-	2,059,609	2,059,609
Transactions with owners in their capacity as owners:								
Dividends	9	-	-	-	-	-	(2,563,674)	(2,563,674)
Balance as at 31 December 2019		6,236	5,374,258	2	42,292	(29,315)	2,479,905	7,873,378
Profit for the year and total comprehensive income for the year	18	-	-	-	-	-	1,794,070	1,794,070
Transactions with owners in their capacity as owners:								
Dividends	9	-	-	-	-	-	-	-
Balance as at 31 December 2020		6,236	5,374,258	2	42,292	(29,315)	4,273,975	9,667,448

Global Commodities Holdings Limited
STATEMENT OF CASH FLOWS
31 December 2020

	Notes	2020 \$	2019 \$
Operating activities			
Cash generated from operations	20	2,209,704	2,748,058
Income taxes paid		(453,765)	(541,275)
Net cash from operating activities		<u>1,755,939</u>	<u>2,206,783</u>
Investing activities			
Interest received		16,996	81,178
Purchase of tangible assets		(25,173)	(134,696)
Purchase of intangible assets		-	(80,302)
Net cash used in investing activities		<u>(8,177)</u>	<u>(133,820)</u>
Financing activities			
Dividends paid		(2,563,674)	(1,000,003)
Net cash used in financing activities		<u>(2,563,674)</u>	<u>(1,000,003)</u>
Net (decrease)/ increase in cash and cash equivalents		<u>(815,912)</u>	<u>1,072,960</u>
Cash and cash equivalents at the beginning of the year		<u>12,169,482</u>	<u>11,096,522</u>
Cash and cash equivalents at the end of the year		<u><u>11,353,570</u></u>	<u><u>12,169,482</u></u>

Global Commodities Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

1. General Information

Global Commodities Holdings Limited ("the Company") is a private company limited by shares, registered, domiciled and incorporated in England. The Registered Office and principal place of business is 1st Floor, 30 Coleman Street, London, EC2R 5AL. The company's principal activities and nature of its operations are set out within the Directors' Report.

2. Basis of Accounting

The financial statements of Global Commodities Holdings Limited have been prepared in accordance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

Monetary amounts in these financial statements are rounded to the nearest \$1, except where otherwise indicated.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

(b) Going concern

The directors have prepared forecasts for the business and on the basis of the expected results and given the resources that the Company has available to it, the directors believe the Company is well placed to manage its business risks successfully.

The directors have considered the impact of the Covid19 outbreak on the business, and the subsequent uncertainty on the business. These considerations are accordingly factored in when preparing short and long-term forecasts. The directors have found there has been some impact on performance based on the company's year end results but the overall outcome remains positive.

The directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

(c) Functional Currency

The company's functional and presentational currency is US dollars.

(d) Foreign currencies

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction.

All transaction differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, net of value added taxes.

Global Commodities Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

The company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the amount of revenue can be measured reliably; and (c) it is probable that future economic benefits will flow to the entity.

Commissions receivable on trades are recognised immediately on execution.

Membership fee income is deferred and released in equal instalments over the period of membership.

(f) Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

(g) Intangible fixed assets (other than goodwill)

Development costs are capitalised based on the company's ability to reliably measure the expenditure attributable to the intangible asset during its development and the existence of a market for the use of the intangible asset from which future economic benefits will be generated. Capitalised development expenditure is initially recognised at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Capitalised development expenditure is amortised on a straight line basis over its useful life, which is 5 years. The directors consider this useful life to be appropriate being the estimated minimum period the products are expected to generate economic benefits.

Other externally purchased intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Intangible assets are amortised to profit or loss on a straight line basis of their useful lives as follows:

Software	3 years
Website	3 years

Provision is made for any impairment in value.

Amortisation is revised prospectively for any significant change in useful life or residual value. On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised in profit or loss.

Global Commodities Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

Amortisation of Website development costs will commence from the date the new website becomes live.

(h) Tangible fixed assets

Fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:

Leasehold improvements	5 years
Fixtures and fittings	3 years
IT hardware	3 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

(i) Impairments

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Company estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in profit or loss.

(j) Leases

Operating lease rentals are charged to profit or loss in equal monthly amounts over the lease term.

(k) Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

(l) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(m) Dividends

Dividends are recognised as liabilities once they are no longer at the discretion of the company.

(n) Financial assets

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

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables and accrued income, 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. Other financial assets classified as fair value through profit or loss are measured at fair value.

Global Commodities Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

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. The impairment loss 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 when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

(o) Financial liabilities

Basic financial liabilities which include trade creditors, other creditors and accruals, are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value.

Financial liabilities at fair value through profit or loss

Financial liabilities classified as other financial liabilities are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's obligations are discharged, cancelled, or they expire.

(p) Other income

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective rate.

4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors do not consider there are any estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the current financial year.

Global Commodities Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

5. Turnover and profit on ordinary activities before taxation

The Company's turnover and profit before taxation were all derived from its principal activity wholly undertaken in the United Kingdom.

Analysis of turnover by category

	2020	2019
	\$	\$
Rendering of services	9,226,918	9,888,733

6. Profit before taxation

	2020	2019
	\$	\$

Profit before taxation is stated after charging:

Depreciation of tangible fixed assets - owned assets	94,571	112,191
Amortisation of intangible fixed assets	69,025	124,758
Foreign exchange trading (gains)/losses	2,016	8,711
Operating lease rentals:		
Land and buildings	350,660	395,875

Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:

Audit services - statutory audit of the company	33,301	35,663
<i>Other services</i>		
Audit-related assurance services	22,953	16,631
Taxation compliance services	10,246	10,236

Global Commodities Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

7. Employees	2020	2019
	No.	No.
The average monthly number of persons (including directors) employed by the Company during the year was:		
Information technology	4	4
Sales and marketing	19	18
Administration	5	6
	28	28
	2020	2019
	\$	\$
Wages and salaries	4,134,939	4,231,909
Social security costs	523,512	517,508
Pension contributions	214,331	213,955
Staff costs	4,872,782	4,963,372
	2020	2019
	\$	\$
<i>Directors' remuneration</i>		
Emoluments	715,000	590,085
	715,000	590,085

The amount paid to the highest paid director was \$571,231 (2019: \$446,451).

Global Commodities Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

8. Taxation	2020	2019
	\$	\$
Current tax:		
UK corporation tax on profits of the year	506,591	527,530
Adjustment in respect of previous period	54,821	(31,163)
Total current tax	561,412	496,367
Deferred tax:		
Origination and reversal of timing differences	(16,681)	(7,889)
Total deferred tax	(16,681)	(7,889)
Tax on profit	544,731	488,478

Factors affecting tax charge for the year:	2020	2019
	\$	\$

The tax assessed for the year is lower than the standard rate of

Corporation tax of 19% (2019: 19%). The differences are explained below:

Profit before tax	2,338,801	2,548,087
Profit multiplied by the standard rate of corporation tax of 19% (2019: 19%)	444,372	484,137
Effects of:		
Fixed asset differences	2,407	3,686
Expenses not deductible for tax purposes	8,228	26,887
Adjustments to tax charge in respect of previous periods	78,147	-
Adjust closing deferred tax to average of 19.00%	-	-
Adjust opening deferred tax to average of 19.00%	-	-
Current tax (prior period) exchange difference arising on movement between opening and closing spot rates	(6,652)	(22,145)
Current tax (current period) exchange difference arising on movement between opening and closing spot rates	34,156	4,374
Change in tax rates	(15,927)	(8,461)
Deferred tax not recognised	-	-
Total tax expense	544,731	488,478

Global Commodities Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

9. Dividends	2020	2019
	\$	\$
Interim dividend payable	-	2,563,674
	-	2,563,674

A dividend payment amounting to \$2,563,674 at \$0.6342 per share was made on 8 April 2020 being the settlement of the dividend payable as at 31 December 2019.

There are no dividends payable as at 31 December 2020.

10. Tangible Fixed Assets

	Leasehold improvements \$	Fixtures & fittings \$	IT Hardware \$	Total \$
Cost				
1 January 2020	398,217	280,115	1,897,579	2,575,911
Additions	-	1,011	24,162	25,173
Disposals	-	-	-	-
31 December 2020	398,217	281,126	1,921,741	2,601,084
Depreciation				
1 January 2020	398,217	174,264	1,798,805	2,371,286
Charged in year	-	23,413	71,158	94,571
Disposals	-	-	-	-
31 December 2020	398,217	197,677	1,869,963	2,465,857
Net book value				
31 December 2020	-	83,449	51,778	135,227
31 December 2019	-	105,851	98,774	204,625

Global Commodities Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

11. Intangible Fixed Assets

	Software \$	Website \$	Development Costs \$	Total \$
Cost				
1 January 2020	877,174	665,398	502,179	2,044,751
Additions - separately acquired	-	-	-	-
31 December 2020	877,174	665,398	502,179	2,044,751
Amortisation				
1 January 2020	824,189	665,390	394,479	1,884,058
Charged in year	31,732	8	37,285	69,025
Impairment	-	-	-	-
31 December 2020	855,921	665,398	431,764	1,953,083
Net book value				
31 December 2020	21,253	-	70,415	91,668
31 December 2019	52,985	8	107,700	160,693

Included in the carrying value of development costs are the capitalised costs in respect of projects.

The amortisation charge for the year is recognised within administrative expenses.

	2020 \$	2019 \$
12. Debtors		
Due within one year:		
Trade debtors	790,944	899,105
Other debtors	44,180	41,384
Prepayments and accrued income	757,848	445,147
Deferred tax asset	10,327	-
	1,603,299	1,385,636

Global Commodities Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

13. Creditors: Amounts falling due within one year	2020	2019
	\$	\$
Dividend payable	-	2,563,674
Trade creditors	21,178	118,269
Corporation tax	329,807	222,160
Other taxation and social security	372,775	321,102
Other creditors	48,425	32,037
Accruals and deferred income	2,744,131	2,783,462
	<u>3,516,316</u>	<u>6,040,704</u>

14. Provision for Liabilities	2020	2019
Deferred Tax	\$	\$
1 January	6,354	14,243
Credit for the year	(16,681)	(7,889)
31 December	<u>(10,327)</u>	<u>6,354</u>

The deferred tax asset of 2020 comprises a liability of \$1,643 (2019: \$11,258) relating to accelerated capital allowances and an asset of \$11,970 (2019: \$4,904) relating to short term timing differences

Global Commodities Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

15. Share capital	Ordinary shares 0.1 pence each	Special deferred share £1 each	Total
	No.	No.	No.
Called up, allotted and fully paid:			
1 January	4,042,375	1	4,042,376
31 December	4,042,375	1	4,042,376

	Ordinary shares 0.1 pence each	Special deferred share £1 each	Total
	\$	\$	\$
1 January	6,236	2	6,238
31 December	6,236	2	6,238

The special deferred share holds no voting rights, rights to dividends or rights to further participation in the capital of the Company. On winding up, the holder is entitled only to the repayment of paid up share capital, subordinated to the rights of the ordinary shareholders.

16. Share premium account	2020 \$	2019 \$
1 January	5,374,258	5,374,258
31 December	5,374,258	5,374,258

Global Commodities Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

	2020	2019
17. Capital redemption account	\$	\$
31 December	<u>42,292</u>	<u>42,292</u>
18. Retained Earnings	2020	2019
	\$	\$
1 January	2,479,905	2,983,970
Profit for the financial year	1,794,070	2,059,609
Dividend payable	-	(2,563,674)
31 December	<u>4,273,975</u>	<u>2,479,905</u>
19. Foreign Exchange Reserve		\$
At 1 January 2019 and 2020 and 31 December 2019 and 2020		<u>(29,315)</u>
20. Cash Flows	2020	2019
	\$	\$
Reconciliation of profit after tax to net cash generated from operations		
Profit after tax	1,794,070	2,059,609
Depreciation, amortisation and impairment	163,596	236,949
Interest receivable	(16,996)	(81,178)
Taxation	544,731	488,478
Operating cashflows before movements in working capital	<u>2,485,401</u>	<u>2,703,858</u>
Increase in debtors	(207,336)	(242,511)
Decrease in creditors	(68,361)	286,711
Cash generated from operations	<u>2,209,704</u>	<u>2,748,058</u>

Global Commodities Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

21. Commitments Under Operating Leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2020	2019
	\$	\$
Land and buildings:		
Amount payable in one year	384,201	357,861
Amount payable in second to fifth year	<u>808,236</u>	<u>1,113,636</u>
	<u>1,192,438</u>	<u>1,471,497</u>

22. Ultimate parent company and controlling party

The ultimate parent undertaking by virtue of its shareholding is Global HubCo BV, a company registered in the Netherlands. Accounts are available from Global HubCo BV, Herikerbergweg 238, Luna AreaA, 1101CM Amsterdam, The Netherlands.

In the opinion of the directors, there is no single controlling party given that the shareholders' agreement has provisions, separate from rights attaching to shares, such that a "consumer" shareholder must agree to a vote in addition to votes cast by "producer" shareholders (Global HubCo BV and Anglo American Finance (UK) Plc) before certain special resolutions can be passed.

23. Retirement benefits

The company operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of this scheme are held separately from those of the company in an independently administered fund. The contributions payable by the company charged to profit or loss amounted to \$214,331 (2019: \$213,955). There were no contributions outstanding as of the year end (2019: \$0).

24. Remuneration of key management personnel

Key management personnel compensation, which relates to the senior management team, amounted to \$2,006,762 in 2020 (2019: \$1,743,751).