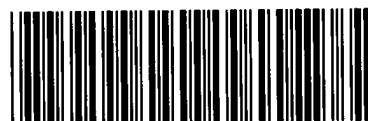


Aricom Limited

Annual Report and Financial Statements
for the year ended 31 December 2019

Registered Number: 4897906

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ARICOM LIMITED

Annual Report and Financial Statements for the year ended 31 December 2019

CONTENTS

	Page
Directors and Advisers	1
Director's Report	2
Statement of Director's Responsibilities	5
Independent Auditor's Report to the Members of Aricom Limited	6
Profit and Loss Account	9
Balance Sheet	10
Statement of changes in equity	11
Notes to the Financial Statements	12

ARICOM LIMITED
Directors and Advisers

Directors

Danila KOTLYAROV (resigned on 1 February 2020)
Shiu Cheong Johnny YUEN

Company Secretary and Registered Office

Amanda Whalley
10-11 Grosvenor Place
London
SW1X 7HH

Auditor

Deloitte LLP
1 New Street Square
London
EC4A 3HQ

ARICOM LIMITED

Director's Report (continued)

The Director presents their annual report on the affairs of Aricom Limited (the Company), together with the financial statements and Auditor's Report, for the year ended 31 December 2019. The Company acts as an investment holding company. The principal activities of its investment are set out in note 8. The company intends to continue its current activity in the foreseeable future

The Director's Report has been prepared in accordance with the provisions of the Companies Act 2006 applicable to companies entitled to the small companies exemption.

Review of Activities

The Company has no employees at this stage, as it is believed that the Director has the necessary skills and knowledge to fulfil the aimed activities of the Company.

The Company does not have any social and community issues or environmental matters due to the scope of its activities. The information relevant to the Company's subsidiaries is disclosed in IRC Limited accounts which are publicly available at www.ircgroup.com.hk.

The Company's Director believes that key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business.

These financial statements have been prepared for the year ended 31 December 2019. The main activities of the Company during the year were those of a holding company.

No dividend was paid during the year (2018: no dividend paid during the year)

No charitable or political donations were made during the year.

The Director is not aware of any significant events since the balance sheet date.

Going Concern Basis

The Director has considered the use of the going concern basis in the preparation of the financial statements and concluded that it is appropriate. In reaching this conclusion, the Director has specifically considered the Company's relationship with its ultimate parent company and subsidiaries of IRC Group. The Company has also received a letter of financial support from IRC Limited for a one-year period from the date when these financial statements are authorised and issued. Further details are set out in note 2 to the financial statements.

The Director has reviewed the Company's financial position as at 31 December 2019, and operating projections as part of his consideration of going concern. As at 31 December 2019, the Company has net current assets of US\$38,475 thousand (2018: US\$29,493 thousand). The future cash flow and operating projections are primarily subject to the financing activity with the subsidiaries, joint ventures and associates of the IRC group, these arrangements allow the Company to generate sufficient cash flows to cover its on-going expenses.

The Director has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of signing the accounts. In view of the above, the Director continues to adopt the going concern basis in preparing these financial statements.

The Director of the Company has considered the developments since the date of signing of the Group consolidated interim financial statements, and reasonably possible downside scenarios including the potential impacts of Covid-19, and concluded that there has been no significant change in circumstances.

ARICOM LIMITED
Director's Report (continued)

Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The Company does not use derivative financial instruments for speculative purposes.

Cash flow risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Company would consider using foreign exchange forward contracts and interest rate swap contracts to hedge these exposures but it currently has not hedged any of these exposures.

Credit risk

The Company's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The Company's credit risk is primarily attributable to its other receivables. The Director of the Company note that the application of the expected credit loss model of IFRS9 will result in earlier provision of credit losses which are not yet incurred in relation to the Company's financial assets measured at amortised costs and other items that subject to the impairment provisions upon application of IFRS9 from 1 January 2018.

The Company has no material impact on the amount of impairment loss to be recognised as at 31 December 2019.

Liquidity risk

Details regarding the liquidity risk can be found in the Statement of accounting policies in the financial statements.

Results

The loss for the year before taxation amounted to US\$30,653 thousand (2018 profit: US\$11,011 thousand).

ARICOM LIMITED
Director's Report (continued)

The Directors who served throughout the year except as noted, were as follows:

Danila KOTLYAROV (resigned on 1 February 2020)

Shiu Cheong Johnny YUEN

Company Secretary

Amanda Whalley

Director's indemnities

The Company has not made any qualifying third-party indemnity provisions for the benefit of its Director during the period or which remain in force at the date of this report other than the Directors' and Officers' insurance policy maintained by IRC Limited.

Auditor

Each of the persons who is a Director of the Company at the date of approval of this report confirms:

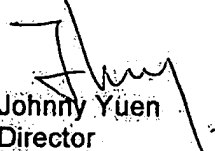
- so far as the Director is aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- the Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put into place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approval

This report was approved by the Board of Directors of Aricom Limited and signed on its behalf by:


Johnny Yuen
Director

16 December 2020

ARICOM LIMITED

Statement of Director's Responsibilities

The Director is responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the Director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Director is required to:

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

The Director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

ARICOM LIMITED

Statement of Director's Responsibilities

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 13.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the director's use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our

ARICOM LIMITED

Independent Auditor's Report to the Members of Aricom Limited (continued)

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that he gives a true and fair view, and for such internal control as the director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

ARICOM LIMITED

Independent Auditor's Report to the Members of Aricom Limited (continued)

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Use of our report

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



Christopher Thomas ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

16 December 2020

ARICOM LIMITED
Profit and Loss Account
For the year ended 31 December 2019

	Notes	2019 US\$'000	2018 US\$'000
Net operating expenses	3	(42,337)	(673)
Operating loss		(42,337)	(673)
Finance income	4	11,684	11,684
(Loss) Profit on ordinary activities before taxation		(30,653)	11,011
Tax expense	7	(2,220)	(2,092)
(Loss) Profit for the year		(32,873)	8,919

All gains and losses are recognised in the profit and loss account in both the current and previous year, and therefore no separate statement of other comprehensive income has been presented.

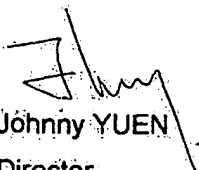
All results relate to continuing activities.

ARICOM LIMITED
Balance sheet
As at 31 December 2019

	Notes	2019 US\$'000	2018 US\$'000
Fixed assets			
Investments	8	91,263	132,916
		91,263	132,916
Current assets			
Debtors: due within one year	9	65,265	54,062
Cash at bank and in hand		-	-
		65,265	54,062
Current liabilities			
Creditors: amounts falling due within one year	10	(26,790)	(24,569)
		(26,790)	(24,569)
Net current assets		38,475	29,493
Total assets less current liabilities		129,738	162,409
Net assets		129,738	162,409
Capital and Reserves	11		
Called up share capital		2,484	2,484
Share premium		290,655	290,453
Other reserves		242,871	242,871
Accumulated losses		(406,272)	(373,399)
Shareholders' Funds		129,738	162,409

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

The financial statements of Aricom Limited, registered number 4897906 were approved by the Board of Directors and authorised for issue on 16 December 2020 and signed on their behalf by


Johnny YUEN
 Director

ARICOM LIMITED
Statement of changes in equity
For the year ended 31 December 2019

	Share Capital US\$'000	Share Premium US\$'000	Profit and loss account US\$'000	Other reserves US\$'000	Total US\$'000
Balance at 1 January 2018	2,471	157,550	(382,318)	242,871	20,574
Total comprehensive profit	-	-	8,919	-	8,919
Issue of ordinary shares (note 11)	13	132,903	-	-	132,916
Balance at 31 December 2018	2,484	290,453	(373,399)	242,871	162,409
Balance at 1 January 2019	2,484	290,453	(373,399)	242,871	162,409
Total comprehensive loss	-	-	(32,873)	-	(32,873)
Issue of ordinary shares (note 11)	0	202	-	-	202
Balance at 31 December 2019	2,484	290,655	(406,272)	242,871	129,738

ARICOM LIMITED
Notes to the Financial Statements
For the year ended 31 December 2019

1 General information

Aricom Limited (the "Company") is a private company, limited by shares, incorporated and domiciled in United Kingdom (England and Wales) on 12 September 2003. The address of the registered office is 10-11 Grosvenor Place, London, SW1X 7HH. The Company's immediate holding company is Thorholdco Limited, a company incorporated in Cayman Islands.

At 31 December 2019, the Company's ultimate holding company was IRC Limited, a company incorporated and listed in Hong Kong with registered office at 6H, 9 Queen's Road Central, Central, Hong Kong (note 12 & 13). IRC Limited and its subsidiaries are hereinafter referred to as the "IRC group".

The Company is a wholly owned subsidiary of IRC group, and is included in the consolidated financial statements of IRC Limited, which are publicly available at www.ircgroupp.com.hk. The Company has taken advantage of the exemption from preparing consolidated financial statements under s401 of the Companies Act 2006

The Company acts as an investment holding company. The principal activities of its investments is set out in note 8.

These financial statements are presented in United States dollars, which is also the functional currency of the ultimate holding company.

2 Summary of significant accounting policies

Basis of preparation

The Company financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101'). In preparing these financial statements the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ('Adopted IFRSs'), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets, related party transactions, the statement of compliance with Adopted IFRSs and disclosures in respect of capital management.

A summary of the principal accounting policies is set out below. These accounting policies have been applied consistently throughout the reporting period.

These financial statements have been prepared on the historical cost basis.

Going concern

The Director has reviewed the Company's financial position as at 31 December 2019, and operating projections as part of his consideration of going concern. As at 31 December 2018, the Company has net current assets of US\$38,475 thousand (2018: US\$29,493 thousand). The future cash flow and operating projections are primarily subject to the financing activity with the subsidiaries, joint ventures and associates of the IRC group, these arrangements allow the Company to generate sufficient cash flows to cover its on-going expenses. The Company has also received a letter of financial support from IRC Limited for a one year period from the date when these financial statements are authorised and issued.

As explained in consolidated interim accounts of IRC Ltd the Group performed an assessment of the forecast cash flows for the period of 15 months from the period ended 30 June 2020 for the Half Year Report. As at 30 June 2020, the Group had sufficient liquidity headroom and is also satisfied that it has sufficient headroom under a base case scenario for the period to October 2021.

ARICOM LIMITED
Notes to the Financial Statements
For the year ended 31 December 2019

As at 30 June 2020, the Group has outstanding amounts owed to Gazprombank. The outstanding loan principal was US\$214 million as at 30 June 2020. The assessment of whether there is any material uncertainty that IRC will be able to repay this facility as it falls due is another key element of the Group's overall going concern assessment. IRC projections demonstrated that IRC expects to have sufficient liquidity over the next 12 months and expects to meet its obligations under the Gazprombank Facility. If a missed repayment under debt or guarantee obligations occurs which, if not remedied by the Group, would result in events of default which could cause the Group's debt arrangements to become repayable on demand.

If the market conditions turn out to be significantly less favourable to the Group than predicted, the Group may not have sufficient working capital to finance its operations and loan repayments resulting in its financial liquidity being adversely impacted. The Group would need to carry out contingency plans including entering into negotiations with banks or other investors for additional debt or equity financing. The Group believes it has sufficient liquidity based upon the expected cash to be generated from operations to meet its financial obligations as they fall due for the coming twelve months.

After making enquiries and considering the uncertainties, the Director concluded there was a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of signing the consolidated interim accounts.

The director of the Company has considered the developments since the date of signing of the Group consolidated interim financial statements and concluded that there has been no significant change in circumstance. In view of the above, together with the Group's most recent forecasts to 31 December 2021 and the assessment of reasonable downside scenarios, including the possible impacts of Covid-19, the Director continues to adopt the going concern basis in preparing these financial statements.

Finance costs

Finance costs of financial liabilities are measured by using the effective interest rate method and recognised in the profit and loss account.

Finance income and expense

Interest is accounted when the financial assets are recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. Dividend income is recognised when the right to receive payment is established.

Foreign currencies

Transactions denominated in currencies other than the functional currency, including the issue of shares, are translated at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities that are denominated in currencies other than the functional currency are re-translated at the rates prevailing on the balance sheet date. Upon settlement, monetary assets and liabilities are re-translated at the date ruling on the settlement date. Exchange differences are charged or credited to the profit and loss account in the year in which they arise.

Foreign currencies (continued)

The rates of exchange used to translate monetary assets and liabilities denominated in foreign currencies into US Dollars are set out below.

	31 December 2019	31 December 2018
GB Pounds Sterling	0.78	0.75

ARICOM LIMITED
Notes to the Financial Statements
For the year ended 31 December 2019

Financial assets and liabilities

Financial assets and financial liabilities are recognised at fair value and subsequently measured at amortised cost using the effective interest rate method on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

From 1 January 2018, the Company assesses on a forward-looking basis the ECL associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company recognises an impairment loss in profit and loss account with a corresponding adjustment to carrying amount of financial assets.

Debtors

Debtors are measured on initial recognition at fair value, and are subsequently measured at cost less allowances for estimated irrecoverable amounts. From 1 January 2018, the Company assesses on a forward-looking basis the ECL associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company recognises an impairment loss in profit and loss account with a corresponding adjustment to carrying amount of financial assets.

Investments

Investments in subsidiary undertakings are initially measured at cost, including transaction costs, and subsequently carried at cost less provision for impairment. Investments are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. An impairment loss is recognised if the carrying amount of the investment exceeds the higher of net realisable value and the discounted future earnings from the investment.

Cash at bank and in hand

Cash at bank and in hand comprises cash on hand held by the Company and short-term bank deposits with an original maturity of three months or less.

Taxation including deferred taxation

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

Full provision is made for deferred taxation on all timing differences that have arisen but not reversed at the balance sheet date, except that deferred tax assets are only recognised to the extent that it is more likely than not that they will be recovered. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantially enacted at the date of financial position.

ARICOM LIMITED
Notes to the Financial Statements
For the year ended 31 December 2019

2 Summary of significant accounting policies (continued)

New and amended standards adopted in the financial year

The Company has applied the following new and amendments to the IFRSs issued for the first time in the current year:

IAS/IFRS Standard	Subject	Effective Date
IFRS 16 Leases	Recognition, measurement, presentation and disclosure of leases	1 January 2019
Amendments to IAS 28	Long Term Interests in Associates	1 January 2019
Annual Improvements 2015 - 2017 Cycle	Annual Improvements to IFRS's : 2015-17	1 January 2019
IFRIC 23 (interpretation)	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement	1 January 2019

The application of the new and amendments to IFRSs in the current year has had no material impact on the Company's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Standards in issue but not yet effective

The Company has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

IAS/IFRS Standard	Subject	Effective Date
IFRS 17 Insurance Contracts	Requirements for measurement and presentation of insurance contracts	1 January 2021
Amendments to IAS 1 and IAS 8	Definition of Material	1 January 2020
Amendments to IFRS 3	Definition of a Business	1 January 2020
Amendments to Conceptual Framework	References in IFRS standards	1 January 2020

The director of the Company anticipate that the application of all new and amendments to IFRSs will have no material impact on the financial statements in the foreseeable future.

Critical accounting judgements and key sources of estimation uncertainty

The company has no critical accounting judgements and one key source of estimation uncertainty for the above in relation to the recoverability of its loans and investments in subsidiaries of the IRC Group. At each balance sheet date, the Company reviews the carrying amounts of its equity investments and financial assets to determine whether there is any indication that those have suffered an impairment loss in respect of the equity investment or expected credit loss for the loan investment. Of Aricom Ltd's investments of \$91m and debtors of \$65m, \$91m and \$65m respectively are ultimately in relation to the K&S mine. The estimation uncertainty for those assets is based on the estimation uncertainty for the value

ARICOM LIMITED
Notes to the Financial Statements
For the year ended 31 December 2019

of the underlying K&S mine as disclosed in the IRC Consolidated Financial Statements (note 4) with the key assumptions being the forecast iron ore price, ore reserve estimates and forecast production costs.

3 Net operating expenses

	2019 US\$'000	2018 US\$'000
Impairment loss (note 3)	(41,885)	-
Movement in expected credit losses (note 3)	(482)	(669)
Foreign exchange (loss) gain	-	(4)
Net operating expenses	(42,337)	(673)

(Note:

Aricom UK Limited ("AUK"), the wholly owned subsidiary of the Company, was in a net liabilities position after recognition of impairment of its investments in Kapucius and Rumier in 2015. The Company, then, fully impaired its investment in AUK. At 31 December 2019, the Company assessed the recoverability of carrying amount of the investment in AUK and recognised impairment charges of US\$41,855 thousand against the investment in AUK. The recoverable amount has been derived from a value in use calculation for the IRC Group.

By application of IFRS9, the provision of Expected Credit Loss ("ECL") at 1 Jan 2018 was US\$ 2,629 thousand and further ECL at 31 Dec 2019 and 2018 were US\$ 482 thousand and US\$ 669 thousand respectively.)

The Company had no employees for the year ended 31 December 2019 (none for the year ended 31 December 2018).

4 Finance income

	2019 US\$'000	2018 US\$'000
Investment income:		
Interest earned on amounts lent to subsidiaries of IRC group	11,684	11,684
Interest income on time deposit	-	0
Net finance income	11,684	11,684

5 Directors' emoluments

The Directors received no emoluments in respect of their services as Directors of the Company for the years ended 31 December 2019 and 2018. The Directors are also directors of IRC Limited and their remuneration in respect of their roles as directors of IRC Limited is set out in the annual report for IRC Limited for the years ended 31 December 2019 and 2018. The annual report is publicly available at www.irccgroup.com.hk

6 Auditor's remuneration

Auditor's remuneration for the audit of the Company's statutory accounts is set out in the Auditor's remuneration note in the annual report of IRC limited for the year ended 31 December 2019. The annual report is publicly available at www.irccgroup.com.hk

ARICOM LIMITED
Notes to the Financial Statements
For the year ended 31 December 2019

7 Taxation

The tax charge comprises:

	2019	2018
	US\$'000	US\$'000
Total tax charge	2,220	2,092

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit/loss before tax is as follows:

	2019	2018
	US\$'000	US\$'000
(Loss) / Profit on ordinary activities before tax	(30,653)	11,011
Tax charge at the UK corporation tax rate of 19% (2018: 19%)	(5,824)	2,092
Effects of:		
Non-deductible impairment	7,952	-
Non-deductible expenses	92	-
Total tax charge for the period	2,220	2,092

8 Investments

	Investments in IRC group subsidiaries US\$'000	Other Investments US\$'000	Total US\$'000
At 1 January 2018	-	-	-
Additions ^(a)	132,916	-	132,916
Impairment (note 3)	-	-	-
At 31 December 2018	132,916	-	132,916
At 1 January 2019	132,916	-	132,916
Additions ^(a)	202	-	202
Impairment (note 3)	(41,855)	-	(41,855)
At 31 December 2019	91,263	-	91,263

^(a) During 2019, the Company contributed US\$202 thousand (2018: US\$132,916 thousand) to Aricom UK Limited by subscribing for 1,602 ordinary shares (2018: 1,009,998 ordinary shares) of Aricom UK Limited.

invested in the following IRC Limited group subsidiaries:

	Country of incorporation	Principal activity	Proportion of shares held
Aricom UK Limited ^(a)	England and Wales	Holding company	100% ordinary
Heilongjiang Jiatai Titanium Co., Limited ^(b)	People's Republic of China	Titanium project	100% ordinary

^(a) registered office: 10-11 Grosvenor Place, London, SW1X 7HH, United Kingdom

^(b) registered office: No.668, Chongqing Street, Dongfeng District, Jiamusi City, Heilongjiang Province, China

ARICOM LIMITED
Notes to the Financial Statements
For the year ended 31 December 2019

9 Debtors

	2019	2018
	US\$'000	US\$'000
Debtors: amounts falling due within one year		
Amounts due from subsidiaries of IRC group	65,747	57,360
Other receivable	-	-
Movement in expected credit losses (note 3)	(482)	(3,298)
Debtors: amounts falling due within one year	65,265	54,062

10 Creditors

	2019	2018
	US\$'000	US\$'000
Other creditors	1	1
Amounts due to subsidiaries of IRC group	26,789	24,568
	26,790	24,569

The Directors estimate that the carrying amount of creditors approximates their fair value.

11 Share Capital

	31 December		31 December	
	2019		2018	
	No. of shares	US\$'000	No. of shares	US\$'000
	'000		'000	
<i>Authorised</i>				
Ordinary shares of £0.0001 each	20,000,000	-	20,000,000	-
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £0.0001 each	13,347,430	2,484	13,347,270	2,484

Details of the ordinary shares in issue at the commencement of the year, ordinary shares issued during the year and ordinary shares in issue at the year-end are given in the table below:

Date	Description	Price GBP	No. of shares
1 January 2019	Number of ordinary shares in issue at the commencement of the year		13,347,270,555
02 July 2019	Ordinary shares issued at a premium	1.00000098549	142,062
14 October 2019	Ordinary shares issued at a premium	1.00004052352	18,261
31 December 2019	Number of ordinary shares in issue at the end of the year		13,347,430,878

ARICOM LIMITED
Notes to the Financial Statements
For the year ended 31 December 2019

12 Related party transactions

The Company applied the exemption available under FRS 101 in relation to non-disclosure of transactions with wholly-owned subsidiaries of the IRC group.

On 7 August 2015, IRC Limited completed an equity fund raising exercise by way of an open offer to its qualifying shareholders. As Petropavlovsk PLC did not subscribe for the open offer shares it was entitled to, its equity interest in IRC was diluted to 35.83%. As a result, the Directors consider that IRC Limited became the ultimate holding company of the Company with effect from 7 August 2015.

For the years ended 31 December 2019 and 2018, Petropavlovsk PLC, which is a substantial shareholder of IRC group, and its subsidiaries are considered to be related parties. Mr. Peter Hambro and Dr. Pavel Maslovskiy, shareholder of Petropavlovsk PLC, are close family members of the directors of the IRC group, Mr. George Jay Hambro and Mr. Yury Makarov respectively.

Mr. Peter Hambro became director of IRC group on 26 July 2018 and Mr. George Jay Hambro resigned as a director of IRC group on 19 December 2018.

13 Subsequent event

In the period subsequent to the 31 December 2019, the COVID-19 virus has spread globally although there has been no significant impact on the Group's mining operations, sales and supply chain, capital projects or employee health and safety as a result of COVID-19 to date.

Further details are set out in the annual report for IRC Limited for the year ended 31 December 2019. The annual report is publicly available at www.ircgroup.com.hk.

14 Parent undertaking

The Company's immediate parent is Thorholdco Limited, a company incorporated in Cayman Islands, and the ultimate controlling party is IRC Limited, a company incorporated in Hong Kong and registered office at 6H, 9 Queen's Road Central, Central, Hong Kong. The 2019 consolidated accounts of IRC group are publicly available at www.ircgroup.com.hk.