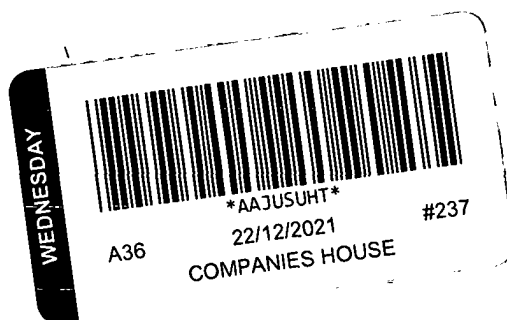


Aricom Limited

Annual Report and Financial Statements
for the year ended 31 December 2020

Registered Number: 4897906



ARICOM LIMITED

Annual Report and Financial Statements for the year ended 31 December 2020

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
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12

ARICOM LIMITED
Directors and Advisers

Directors

Shiu Cheong Johnny YUEN
Danila KOTLYAROV (resigned on 1 February 2020)
Yury MAKAROV (appointed on 26 March 2021)

Company Secretary and Registered Office

Amanda Whalley (resigned on 12 November 2020)
10-11 Grosvenor Place
London
SW1X 7HH

Auditor

MHA MacIntyre Hudson
Chartered Accountants & Statutory Auditor
2 London Wall Place,
London
EC2Y 5AU

ARICOM LIMITED

Director's Report

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 2020. 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 Company has taken exemption from preparing consolidated financial statements under s401 of the Companies Act 2006. The information relevant to the Company's subsidiaries is disclosed in IRC Limited 2020 Report and Accounts which are publicly available at www.ircgroupp.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 2020. The main activities of the Company during the year were those of a holding company.

No dividend was paid during the year (2019: 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 2020, and operating projections as part of his consideration of going concern. As at 31 December 2020, the Company has net current assets of US\$47,296 thousand (2019: US\$38,475 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.

As IRC Group are offering support to the entity, the performance of IRC Group is relevant to the users of these financial statements. 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 2021 for the Half Year Report. As at 30 June 2021, the Group had sufficient liquidity headroom and is also satisfied that it has sufficient headroom under a base case scenario for the period to December 2022.

As at 30 June 2021, the Group has outstanding amounts owed to Gazprombank. The outstanding loan principal was US\$174 million as at 30 June 2021. 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.

ARICOM LIMITED

Director's Report

Going Concern Basis (continued)

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.

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.

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 Company performs impairment assessment under expected credit loss ("ECL") model of IFRS9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

The amount of impairment recognised as at 31 December 2020 has no material impact to the Company.

Liquidity risk

Details regarding the liquidity risk can be found in the Statement of accounting policies in note 2 of the financial statements.

Results

The profit for the year before taxation amounted to US\$11,041 thousand (2019 loss: US\$30,653 thousand).

ARICOM LIMITED
Director's Report

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

Shiu Cheong Johnny YUEN
Danila KOTLYAROV (resigned on 1 February 2020)
Yury MAKAROV (appointed on 26 March 2021)

Company Secretary

Amanda Whalley (resigned on 12 November 2020)

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.

The auditors, MHA MacIntyre Hudson, were appointed on 21 July 2021 and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approval

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



Johnny Yuen
Director

20 December 2021

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

Independent Auditor's Report to the Members of Aricom Limited

Opinion

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, 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 of Aricom Limited (the 'Company') for the year ended 31 December 2020, which comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Cash Flows;
- the Statement of Changes in Equity; and
- the related notes 1 to 15, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 United Kingdom, including the Financial Reporting Council'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 directors are 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 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

ARICOM LIMITED

Independent Auditor's Report to the Members of Aricom Limited

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 this regard.

Opinion 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 5, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;

ARICOM LIMITED

Independent Auditor's Report to the Members of Aricom Limited

- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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



Andrew Moyser FCA FCCA (Senior Statutory Auditor)

for and on behalf of MHA MacIntyre Hudson

Statutory Auditor

London, United Kingdom

20 December 2021

ARICOM LIMITED
Statement of Comprehensive Income
For the year ended 31 December 2020

	Notes	2020 US\$'000	2019 US\$'000
Net operating expenses	3	(643)	(42,337)
Operating loss		(643)	(42,337)
Finance income	4	11,684	11,684
Profit (Loss) on ordinary activities before taxation		11,041	(30,653)
Tax expense	7	(2,220)	(2,220)
Profit (Loss) for the year		8,821	(32,873)
Other comprehensive income for the year		-	-
Total comprehensive income (loss) for the year		8,821	(32,873)

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 2020

	Notes	2020 US\$'000	2019 US\$'000
Fixed assets			
Investments	8	104,030	91,263
		104,030	91,263
Current assets			
Debtors: due within one year	9	76,305	65,265
Cash at bank and in hand		-	-
		76,305	65,265
Current liabilities			
Creditors: amounts falling due within one year	10	(29,009)	(26,790)
		(29,009)	(26,790)
Net current assets		47,296	38,475
Total assets less current liabilities		151,326	129,738
Net assets		151,326	129,738
Capital and Reserves			
Called up share capital	11	2,485	2,484
Share premium	12	303,421	290,655
Other reserves	13	242,871	242,871
Accumulated losses	14	(397,451)	(406,272)
Shareholders' Funds		151,326	129,738

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 20 December 2021 and signed on their behalf by


Johnny YUEN
Director

ARICOM LIMITED
Statement of changes in equity
For the year ended 31 December 2020

	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 2019	2,484	290,453	(373,399)	242,871	162,409
Total comprehensive profit	-	-	(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
Balance at 1 January 2020	2,484	290,655	(406,272)	242,871	129,738
Total comprehensive loss	-	-	8,821	-	8,821
Issue of ordinary shares (note 11)	1	12,766	-	-	12,767
Balance at 31 December 2020	2,485	303,421	(397,451)	242,871	151,326

ARICOM LIMITED
Notes to the Financial Statements
For the year ended 31 December 2020

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 2020, 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 13 & 15). 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 and rounded to the nearest \$1,000 dollars.

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 UK ('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 2020, and operating projections as part of his consideration of going concern. As at 31 December 2020, the Company has net current assets of US\$47,296 thousand (2019: US\$38,475 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.

ARICOM LIMITED
Notes to the Financial Statements
For the year ended 31 December 2020

Going concern (continued)

As IRC Group are offering support to the entity, the performance of IRC Group is relevant to the users of these financial statements. 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 2021 for the Half Year Report. As at 30 June 2021, the Group had sufficient liquidity headroom and is also satisfied that it has sufficient headroom under a base case scenario for the period to December 2022.

As at 30 June 2021, the Group has outstanding amounts owed to Gazprombank. The outstanding loan principal was US\$174 million as at 30 June 2021. 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, 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 2022 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 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.

ARICOM LIMITED
Notes to the Financial Statements
For the year ended 31 December 2020

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 2020	31 December 2019
GB Pounds Sterling	0.73	0.78

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 2020

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
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 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 IFRSs 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

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. Aricom Limited's investments of \$104m and amounts owed by group companies of \$76m, are both ultimately in relation to the K&S mine. The estimation uncertainty for those assets is based on the estimation uncertainty for the value 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.

ARICOM LIMITED
Notes to the Financial Statements
For the year ended 31 December 2020

3 Net operating expenses

	2020 US\$'000	2019 US\$'000
Impairment loss (note)	-	(41,885)
Movement in expected credit losses	(644)	(482)
Foreign exchange (loss) / gain	1	-
Net operating expenses	(643)	(42,337)

(Note:

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. No further impairment has been made in the current year.

The Company had no employees for the year ended 31 December 2020 (none for the year ended 31 December 2019).

4 Finance income

	2020 US\$'000	2019 US\$'000
Investment income:		
Interest earned on amounts lent to subsidiaries of IRC group	11,684	11,684
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 2020 and 2019.

6 Auditor's remuneration

For the year ended 31 December 2020, fees payable to the Company auditor for the audit of the Company's annual financial statements is GBP30 thousand (2019: GBP30 thousand).

7 Taxation

The tax charge comprises:

	2020 US\$'000	2019 US\$'000
Current tax on profits for the year	2,220	2,220
Deferred tax charge	-	-
	2,220	2,220

ARICOM LIMITED
Notes to the Financial Statements
For the year ended 31 December 2020

7 Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2019 - the same as) the standard rate of corporation tax in the UK of 19% (2019 - 19%) as set out below:

	2020 US\$'000	2019 US\$'000
(Loss) / Profit on ordinary activities before tax	11,041	(30,653)
Tax charge at the UK corporation tax rate of 19% (2019: 19%)	2,098	(5,824)
Effects of:		
Non-deductible impairment	-	7,952
Non-deductible expenses	122	92
Total tax charge for the period	2,220	2,220

Factors that may affect future tax charges

There were no factors that may affect future tax charges

8 Investments

	Investments in IRC group subsidiaries US\$'000	Other Investments US\$'000	Total US\$'000
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
At 1 January 2020	91,263	-	91,263
Additions (a)	12,767	-	12,767
Impairment	-	-	-
At 31 December 2020	104,030	-	104,030

(a) During 2020, the Company contributed US\$12,767 thousand (2019: US\$202 thousand) to Aricom UK Limited by subscribing for 100,566 ordinary shares (2019: 1,602 ordinary shares) of Aricom UK Limited.

The Company has 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

9 Debtors

ARICOM LIMITED
Notes to the Financial Statements
For the year ended 31 December 2020

	2020 US\$'000	2019 US\$'000
Debtors: amounts falling due within one year		
Amounts due from subsidiaries of IRC group	76,949	65,747
Movement in expected credit losses (note 3)	(644)	(482)
Debtors: amounts falling due within one year	76,305	65,265

10 Creditors

	2020 US\$'000	2019 US\$'000
Other creditors	1	1
Amounts due to subsidiaries of IRC group	29,008	26,789
	29,009	26,790

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

11 Share Capital

	31 December 2020 No. of shares '000	US\$'000	31 December 2019 No. of shares '000	US\$'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	13,357,487	2,485	13,347,430	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 2020	Number of ordinary shares in issue at the commencement of the year		13,347,430,878
29 December 2020	Ordinary shares issued at a premium	1.00000003977	10,056,664
31 December 2020	Number of ordinary shares in issue at the end of the year		13,357,487,542

ARICOM LIMITED
Notes to the Financial Statements
For the year ended 31 December 2020

12 Reserves

Share Premium

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Other Reserves

This reserve relates to capital contributions made by group companies.

Accumulated losses

Includes all current and prior year retained profits and losses less dividends paid.

13 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.

For the years ended 31 December 2020 and 2019, Petropavlovsk PLC, which is a substantial shareholder of IRC group, and its subsidiaries are considered to be related parties. Dr. Pavel Maslovskiy, shareholder of Petropavlovsk PLC, is close family member of director of the Company and IRC Group, Mr. Yury Makarov. Dr. Pavel Maslovskiy resigned on 30 June 2020.

14 Subsequent event

In the period subsequent to the 31 December 2020, 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 2020. The annual report is publicly available at www.ircgroupp.com.hk.

15 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 2020 consolidated accounts of IRC group are publicly available at www.ircgroupp.com.hk.