

Registered No: 07248153

Gramercy Ltd

Annual report and audited financial statements

For the year ended 31 December 2021



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Company information

Directors

Robert Koenigsberger
Scott Seaman
Philip Meier

Auditor

MHA MacIntyre Hudson
6th Floor
2 London Wall Place
London
EC2Y 5AU

Banker

Barclays Bank PLC
27 Soho Square
London
W1D 3QR

Registered office

1 Knightsbridge Green
London
SW1X 7NE

Strategic report

The Directors present the Strategic report for Gramercy Ltd (the "Company") for the year ended 31 December 2021.

Principal activity and review of the business

The principal activity of the Company during the year ended 31 December 2021 was the provision of investment advisory services to its parent company, Gramercy UK Holdings LLC ("the LLC"), which is incorporated in the United States of America.

The Company was authorised by the Financial Conduct Authority ("FCA") to conduct investment business on 11 March 2014.

Results for the year and dividends

The profit for the year ended 31 December 2021, after taxation, was \$194,684 (2020: \$126,195).

As the Company earns revenue from Gramercy UK Holdings LLC on a mark-up basis of its costs, the increase in profits is due to increases in the expenses, primarily because of increased personnel costs.

The Company declared and paid a dividend of \$492,353 during the year ended 31 December 2021 (2020: \$nil).

Future developments

The Directors do not foresee any changes in the nature of the Company's activities going forward.

Principal risks and uncertainties

The key business risks and uncertainties facing the business relate to the performance and level of underlying funds under management, which are managed by Gramercy Financial Group LLC, the parent company of Gramercy UK Holdings LLC, and the impact that poor performance has on the wider Gramercy group's revenue, and longer term, the ability to attract and retain clients.

The Company has exposure to foreign exchange risk as income arises in US Dollars whereas its expense base is in Pounds Sterling.

The Company has no significant exposure to other market risk (price or interest rate risk), credit or liquidity risk.

Financial key performance indicators ("KPIs")

Given the straightforward nature of the business, the Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. The primary KPI for the Company is the level and performance of assets under management of Gramercy Financial Group LLC.

Strategic report (continued)

Section 172 (1) statement

Section 172 of the Companies Act 2006 requires a director of an entity to act in the way he or she considers, in good faith, would be most likely to promote the success of the entity for the benefit of its members as a whole. As part of his or her deliberations and decision making processes, the Directors take into account the following:

- (i) likely consequences of any decisions in the long term;
- (ii) the interests of the Company's employees;
- (iii) the need to foster the Company's business relationships with suppliers, customers and others;
- (iv) the impact of the Company's operations on the community and the environment; and
- (v) the desirability of the entity maintaining high standards of business conduct and the need to comply with the rules of the Company's regulator, the UK Financial Conduct Authority.

The Directors recognise that building strong relationships with stakeholders will help deliver Gramercy Limited's strategy in line with its long-term values and is committed to effective engagement with the Company's stakeholders.

Accordingly, the Directors require management to ensure that all stakeholder interests are considered in the Company's day to day management and operations and seek to understand the relative interests and priorities of the various stakeholders and to have regard to these in their decision making. The Directors acknowledge, however, that not every decision will necessarily result in a positive outcome for all stakeholders.

As a result of these activities, the Directors believe that they have demonstrated compliance with their legal duty under s.172 of the Companies Act 2006.

For and on behalf of the board



Scott Seaman
Director

29 April 2022

Directors' report

The Directors present their annual report and the audited financial statements of Gramercy Ltd (the "Company") for the year ended 31 December 2021.

Directors

The Directors of the Company during the year ended 31 December 2021 and up to the date of approval of this report were:

Scott Seaman
Robert Koenigsberger
Philip Meier

Going concern

The Directors have assessed the ability of the Company to continue as a going concern for next 12 months from the date of approval of these financial statements. That assessment includes the impact of COVID – 19.

The Directors consider that the Company has sufficient liquid resources and ongoing arrangements for the provision of investment advisory services with Gramercy Financial Group LLC that will enable the Company to meet its liabilities as they fall due for at least twelve months from the date of approval of these financial statements. The assets under management of the wider Gramercy group are considered to be sufficient for Gramercy Financial Group LLC to meet its obligations to the Company. Also the Company has the ability to draw on the capital resources of Gramercy Financial Group LLC, should the need arise.

The Company has successfully implemented business continuity plans with staff working remotely.

The Directors have concluded that there are no material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

Statement as to disclosure of information to the auditor

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that, so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware. Each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent auditor

The auditor, MHA MacIntyre Hudson, has indicated a willingness to continue in office. A resolution concerning its reappointment will be put to the Directors at the members' meeting approving these financial statements.

This report was approved by the board on 29 April 2021 and signed on its behalf by:



Scott Seaman
Director

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements of the Company 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 results of the Company for the period. In preparing these financial statements, the Directors are required to:

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

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Gramercy Limited

Opinion

We have audited the financial statements of Gramercy Limited (the "Company") for the year ended 31 December 2021, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity, the Statement of cash flows and notes to the financial statements, 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 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 2021, and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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



Independent auditor's report to the members of Gramercy Limited (continued)

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. 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 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.

Opinions on 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 and 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Directors

As explained more fully in the statement of Directors' responsibilities set out on page 6, 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 each 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 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.



Independent auditor's report to the members of Gramercy Limited (continued)

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, those charged with governance, around actual and potential litigation and claims;
- enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- 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: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. 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.

David King, Senior Statutory Auditor
For and on behalf of:
MHA MacIntyre Hudson
Chartered Accountants and Statutory Auditors
London, United Kingdom

29 April 2022

Statement of comprehensive income**For the year ended 31 December 2021**

| | Notes | 2021 \$ | 2020 \$ |
|---|-------|-------------|-------------|
| Turnover | 4 | 2,182,117 | 1,498,906 |
| Administrative expenses | 5 | (1,941,767) | (1,341,796) |
| Operating profit | 6 | 240,350 | 157,110 |
| Tax on profit on ordinary activities | 9 | (45,666) | (30,915) |
| Profit for the year | | 194,684 | 126,195 |

All amounts relate to continuing operations.

There were no other items of comprehensive income for the current or prior year other than those included in the Statement of comprehensive income above.

The notes on pages 14 to 20 form part of these financial statements.

Statement of financial position

as at 31 December 2021

| | Notes | 2021 \$ | 2020 \$ |
|---|-------|------------------|------------------|
| Current assets | | | |
| Debtors | 10 | 1,240,262 | 1,121,590 |
| Cash at bank | | 1,422 | 16,365 |
| | | <u>1,241,684</u> | <u>1,137,955</u> |
| Creditors: amounts falling due within one year | 11 | (916,227) | (514,829) |
| Net assets | | <u>325,457</u> | <u>623,126</u> |
| Capital and reserves | | | |
| Called up share capital | 13 | 1 | 1 |
| Retained earnings | | 325,456 | 623,125 |
| Total equity | | <u>325,457</u> | <u>623,126</u> |

The financial statements on pages 10 to 20 were approved by the Board of Directors and signed on their behalf by:



.....
Scott Seaman
Director

29 April 2022

The notes on pages 14 to 20 form part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2021

| | Retained Earnings | Share Capital | Total Equity |
|--|-------------------|---------------|----------------|
| | \$ | \$ | \$ |
| At 1 January 2020 | 496,930 | 1 | 496,931 |
| Comprehensive income for the year | | | |
| Profit for the year | 126,195 | - | 126,195 |
| Total comprehensive income for the year | 126,195 | - | 126,195 |
| At 31 December 2020 | 623,125 | 1 | 623,126 |
| At 1 January 2021 | 623,125 | 1 | 623,126 |
| Comprehensive income for the year | | | |
| Profit for the year | 194,684 | - | 194,684 |
| Total comprehensive income for the year | 194,684 | - | 194,684 |
| Dividend paid | (492,353) | - | (492,353) |
| At 31 December 2021 | 325,456 | 1 | 325,457 |

The notes on pages 14 to 20 form part of these financial statements.

Statement of cash flows

For the year ended 31 December 2021

| | 2021 \$ | 2020 \$ |
|--|------------------|-----------------|
| Cash flows from operating activities | | |
| Profit for the financial year | 194,684 | 126,195 |
| Adjustments for: | | |
| Increase in debtors | (118,672) | (387,949) |
| Increase in creditors | 389,378 | 239,344 |
| Tax charge | 45,666 | 30,915 |
| Tax paid | (33,646) | (19,395) |
| Net cash generated from/ (used in) operating activities | <u>477,410</u> | <u>(10,890)</u> |
| Cash flows from financing activities | | |
| Dividend paid | (492,353) | - |
| Net cash flows used in financing activities | <u>(492,353)</u> | <u>-</u> |
| Net decrease in cash and cash equivalents | (14,943) | (10,890) |
| Cash and cash equivalents at 1 January | 16,365 | 27,255 |
| Cash and cash equivalents at 31 December | <u>1,422</u> | <u>16,365</u> |
| Cash and cash equivalents comprise: | | |
| Cash at bank | <u>1,422</u> | <u>16,365</u> |

The Company has no borrowings and therefore no net debt reconciliation has been presented.

The notes on pages 14 to 20 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2021

1. Company information

Gramercy Limited is a limited liability company incorporated and domiciled in England and Wales. The business address and registered office is 1 Knightsbridge Green, London, SW1X 7NE.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with United Kingdom accounting standard, incorporating Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The Directors have assessed the ability of the Company to continue as a going concern for next 12 months from the date of approval of these financial statements. That assessment includes the impact of COVID – 19.

The Directors consider that the Company has sufficient liquid resources and ongoing arrangements for the provision of investment advisory services with Gramercy Financial Group LLC will enable the Company to meet its liabilities as they fall due for at least twelve months from the date of approval of these financial statements. The assets under management of the wider Gramercy group are considered to be sufficient for Gramercy Financial Group LLC to meet its obligations to the Company. Furthermore, the Company has the ability to draw on the capital resources of Gramercy Financial Group LLC, should the need arise.

The Company has successfully implemented business continuity plans with staff working remotely.

The Directors have concluded that there are no material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements

Notes to the Financial Statements

For the year ended 31 December 2021

2.3 Turnover

Revenue, which is stated net of any value added tax, represents fees arising from the provision of investment advisory services.

Revenue is recognised on an accruals basis when the services have been performed and the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract.

2.4 Operating leases

Operating leases are those leases where the Company has use of an asset but where the significant risks and rewards of ownership remain with the lessor and the lease term is not expected to be a significant portion of the useful life of the asset.

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the lease.

Any incentives to enter into an operating lease are credited to the income statement as a reduction of the rental expense on a straight-line basis over the term of the lease.

2.5 Taxation

Provision is made for corporation tax at the current rates on the excess of taxable income over allowable expenses.

Deferred taxation is provided on all timings differences that have originated but not reversed by the date of the statement of financial position other than those differences regarded as permanent. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Any deferred tax assets and liabilities recognised are provided at the rate of tax expected to apply when the asset or liability crystallises and are not discounted.

2.6 Expenses

Expenses incurred are recognised on an accruals basis.

Notes to the Financial Statements

For the year ended 31 December 2021

2.7 Financial instruments

Financial assets

The Company's financial assets comprise basic financial instruments, being trade and other receivables and cash balances.

Cash is represented by cash deposits with financial institutions repayable without penalty on notice of no more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Trade and other receivables are initially measured at transaction price and thereafter at the amount of cash or other consideration expected to be received. Any impairment loss is recognised in the statement of comprehensive income.

Financial assets are derecognised when contractual rights to the cash flows from the financial asset expire or are settled, or when substantially all the risks and rewards of ownership have been transferred.

Impairment

An impairment loss is measured as the difference between an asset's carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial liabilities

The Company's financial liabilities comprise basic financial liabilities, being trade and other payables. These are initially measured at transaction price and thereafter at the amount of cash or other consideration expected to be paid.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

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

Notes to the Financial Statements

For the year ended 31 December 2021

2.8 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is US Dollars.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rate at the dates of the transaction.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

2.9 Pensions

The Company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the date of the statement of financial position and the amounts reported for revenues and expenses during the year.

(a) Critical judgements in applying the entity's accounting policies

The Company has not been required to apply any critical judgements in applying the accounting policies.

(b) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates may not equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities within the next financial year.

(c) Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. Note 11 contains details of the net carrying amount of the debtors and any associated impairment provision.

Notes to the Financial Statements

For the year ended 31 December 2021

4. Turnover

Turnover, which is stated net of value added tax, is wholly attributable to the continuing supply of investment advisory services in the United Kingdom to Gramercy UK Holdings LLC, which is incorporated in the United States.

5. Administrative expenses

Administrative expenses include salaries, rent, professional fees and foreign exchange losses.

6. Operating profit

The operating profit is stated after charging/ (crediting):

| | 2021 | 2020 |
|--|---------|----------|
| | \$ | \$ |
| Auditor's remuneration - audit services | 13,190 | 13,097 |
| - other non-audit services | 1,691 | 1,323 |
| - tax services | 3,382 | 3,447 |
| Operating lease rentals – land and buildings | 159,368 | 162,773 |
| Foreign exchange losses/ (gains) | 6,983 | (12,477) |

7. Staff costs

| | 2021 | 2020 |
|------------------------------|------------------|------------------|
| | \$ | \$ |
| Staff costs were as follows: | | |
| Wages and salaries | 1,444,509 | 1,014,028 |
| Social security costs | 258,290 | 102,602 |
| Pension contributions | 2,581 | 3,578 |
| | <u>1,705,379</u> | <u>1,120,208</u> |

The average number of employees (excluding directors) during the year ended 31 December 2021 was as follows:

| | 2021 | 2020 |
|--------------------------|----------|----------|
| Investment professionals | <u>5</u> | <u>3</u> |

8. Directors' remuneration

No remuneration was payable for Directors' services to the Company during the year ended 31 December 2021 (2020: \$nil). The Directors are remunerated by other Gramercy group entities for their services to the Gramercy group as a whole.

Notes to the Financial Statements

For the year ended 31 December 2021

9. Taxation

| | 2021 \$ | 2020 \$ |
|--|---------------|---------------|
| Analysis of charge in the year: | | |
| Current tax: | | |
| UK corporation tax for the year | 45,666 | 30,915 |
| Deferred tax: | | |
| Charge for the year | - | - |
| Total tax charge for the year | 45,666 | 30,915 |

Factors affecting current taxation charge for the year

| | 2021 \$ | 2020 \$ |
|---|---------------|---------------|
| The current taxation charge for the year ended 31 December 2021 is different to the theoretical rate of tax of 19% (2020: 19%). | | |
| Profit on ordinary activities before taxation | 240,350 | 157,110 |
| Theoretical tax at 19% (2020: 19%) | 45,666 | 29,851 |
| Effects of: | | |
| Expenses not deductible for tax purposes | - | 1,064 |
| Total tax charge | 45,666 | 30,915 |

The Company had no unprovided deferred tax for the year ended 31 December 2021 (2020: \$nil).

Deferred tax liabilities and assets are measured using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date, and that are expected to apply to the reversal of the timing difference. Hence the 25% main rate of corporation tax and marginal relief will be relevant for any asset sales or timing differences expected to reverse on or after 1 April 2023.

10. Debtors

| | 2021 \$ | 2020 \$ |
|---|------------------|------------------|
| Amounts due from Gramercy UK Holdings LLC | 1,193,369 | 1,056,159 |
| Other debtors | 24,152 | 24,152 |
| Prepayments | - | 14,093 |
| VAT recoverable | 22,741 | 27,186 |
| | 1,240,262 | 1,121,590 |

Other debtors consist of rent deposit of \$24,152 which is receivable after one year.

Notes to the Financial Statements

For the year ended 31 December 2021

11. Creditors

| | 2021 \$ | 2020 \$ |
|------------------------------|----------------|----------------|
| Corporation tax | 40,643 | 28,623 |
| Other creditors and accruals | 875,585 | 486,206 |
| | <u>916,227</u> | <u>514,829</u> |

12. Operating lease commitments

As at 31 December 2021, the Company had future minimum lease obligations under non-cancellable operating leases as follows:

| | 2021 \$ | 2020 \$ |
|--|---------------|----------------|
| Land and buildings: | | |
| Not later than 1 year | 54,128 | 164,063 |
| Later than 1 year but not later than 5 years | - | 41,016 |
| | <u>54,128</u> | <u>205,079</u> |

13. Share capital

Issued share capital

| | No. | No. |
|---------------------------|----------|----------|
| Ordinary shares: | | |
| Number of shares in issue | <u>1</u> | <u>1</u> |
| | \$ | \$ |
| Nominal value per share | <u>1</u> | <u>1</u> |
| Aggregate value of shares | <u>1</u> | <u>1</u> |

14. Related party transactions

Gramercy UK Holdings LLC is a related party of the Company as it is the controlling member. During the year ended 31 December 2021 the Company provided services to Gramercy UK Holdings LLC amounting to \$2,182,117 (2020: \$1,498,906). As at 31 December 2021, the amount due from Gramercy UK Holdings LLC was \$1,193,369 (2020: \$1,056,159).

Key management personnel are considered to be the Directors and the employees. Their remuneration is disclosed in notes 8 and 7 respectively.

15. Ultimate controlling party

The Company's immediate controlling party is Gramercy UK Holdings LLC. The Company's ultimate controlling party is Gramercy Financial Group LLC. The Company is included in the consolidated financial statements of Gramercy Financial Group LLC.

Gramercy UK Holdings LLC and Gramercy Financial Group LLC are incorporated in the United States of America.