
Company Registration No. 11135613

Gerald International Limited

Annual report and financial statements

31 December 2022



Gerald International Limited

Annual report and financial statements 31 December 2022

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Gerald International Limited

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Officers and Professional Advisers

Directors

C. Dean (appointed on 5 January 2018)
E. Chen (appointed on 6 March 2018)
P. Crepeault (appointed on 6 March 2018)
G. Lerner (appointed on 6 March 2018)
B. Lynch (appointed on 6 March 2018, resigned on 31 March 2023)
P. Nikolopoulos (appointed 31 December 2019)

Registered Office

Third Floor
One Strand
Grand Buildings
Trafalgar Square
London WC2N 5HR

Independent Auditors

Deloitte LLP
Statutory Auditors
1 New Street Square
London EC4A 3HQ

Gerald International Limited

Annual report and financial statements 31 December 2022

Directors' Strategic Report

The directors present their report and financial statements for the year ended 31 December 2022 for Gerald International Limited ("GIL" or the "Company"). The directors, in preparing this strategic report, have complied with Section 414C of the Companies Act 2006.

Overview of the Company

Gerald International Limited was incorporated on 5 January 2018, with its principal activities being the holding company of the Gerald Group. The Gerald Group has been in existence since 1962 and continues to be a private group owned and controlled by its employees. Gerald International Limited is a global commodity merchant focusing on non-ferrous base, precious and ferrous metals, including all the associated raw materials. Its activities span across the entire supply chain, which include mining operations, logistics and storage, financing of such commodities, and customized financial market solutions.

Financial key performance indicators

Given that the entity is principally a holding company its results from operations are driven mainly from management fees earned from its subsidiaries. Gerald International Limited closed the year with nil dividend income and total shareholder's equity USD 210 million. The table below includes the key financial performance indicators for the Company, with comparative figures from the prior year (expressed in thousands of US\$):

	2022	2021
Dividend income	-	57,000
Total shareholder's equity	210,319	234,970

Principal risks and uncertainties

The Company's activity is exposed to a number of financial risks arising from external factors. These include market risks relating to foreign currency exchange rates, interest rates, commodity prices, credit risks, and liquidity risks. The Company's overall risk management program focuses on the unpredictability of financial markets, flexibility retention, while seeking to minimize any potential adverse effects on the Company's financial performance. A main component of the risk management strategy is the utilization of financial instruments to hedge these risks in order to mitigate the associated exposures.

Risk management is carried out by the Company's financial and risk professionals who report to Senior Management on a regular basis entailing a significant amount of coordination with the various commodity departments. There have been no significant changes in the manner the Company manages the exposures in the financial risks faced by the Company.

Financial risk management objectives and policies

Operational risk

On 24 February 2022, the Russian government launched an invasion of Ukraine. The invasion has been met by international condemnation and sanctions imposed by governments of the United States of America, Switzerland, United Kingdom and a number of countries of the European Union against the Russian government, certain Russian individuals and a number of Russian companies. This has triggered widespread economic impacts and unprecedented elevated volatility across many asset classes, including commodities. The Company closely and continuously monitors the impact of the conflict on global supply chains and any effect on commodity prices. To date there has not been any material impacts to the Company as a whole, mainly due to not having any operational footprint and limited trading exposure related to the conflict areas. The Company complies with all sanctions applicable to its business activities.

Market risk

Market risk is the risk arising from possible market price movements and their impact on the future performance of a business. The Company's activities expose it primarily to the financial risks from changes in commodity prices, foreign currency exchange rates, and in interest rates.

Gerald International Limited

Annual report and financial statements 31 December 2022

Directors' Strategic Report *(continued)*

Credit risk

Credit risk refers to the risk that a counterparty will fail to perform or fail to pay amounts resulting in financial loss to the Company. Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of cash and cash equivalents and receivables from affiliates. Risk mitigation is addressed in Note 14 to the Financial Statements.

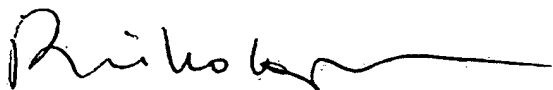
Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations when due. The Gerald Group's Treasury department monitors the liquidity risk and uses for this purpose a number of liquidity risk management techniques for the management of the Company's short- and medium-term funding and liquidity requirements. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of credit arrangements (typically uncommitted trade finance facilities), and the ability to close out positions.

Climate Risk

Based on the operations and activities of the Company, the Company has not identified any exposure to any climate related risks.

By order of the Board,



Patricia Nikolopoulos, Director

12 February 2024

Gerald International Limited

Annual report and financial statements 31 December 2022

Directors' report

(expressed in thousands of US\$)

The directors present their report and financial statements for the year ended 31 December 2022

Results and dividends

In 2021 and 2022, the Company declared dividends for a total value of US 25,000 thousand from its retained deficit, paid to its parent company, Gerald Group Limited. While the Company had positive equity, it had insufficient distributable earnings. The Company plans to remedy its distributable profits position during the financial year of 2024 through a conversion of additional paid-in-capital into distributable earnings and accordingly waive the amount due back from the parent company in respect of these dividends.

Share Capital

On the date of incorporation, GIL issued one share with a nominal value per share of GB £.0001. On 18 January 2018, an additional 912,449 shares were issued with a nominal value per share of GB £.0001. All shares issued were fully paid as of 31 December 2022.

Directors

The directors of the Company during the period are:

- C. Dean (appointed on 5 January 2018)
- E. Chen (appointed on 6 March 2018)
- P. Crepeault (appointed on 6 March 2018)
- G. Lerner (appointed on 6 March 2018)
- B. Lynch (appointed on 6 March 2018, resigned on 31 March 2023)
- P. Nikolopoulos (appointed 31 December 2019)

Principal risks and uncertainties

Information regarding principal risks and uncertainties and financial risk management objectives and policies is included in the strategic report which forms part of the directors' report by way of cross-reference.

Post balance sheet events

None.

Future developments

The Company anticipates the challenging trading conditions to continue and remains flexible to adapt to these challenges. The Company continues to look across various business lines for new opportunities.

Research and development

During the current period, the Company did not have any research and development activities (2021: none).

Going Concern

The going concern basis of preparation has been considered appropriate as, based on the Company and the Gerald Group total equity and Gerald Group's access to a number of financing streams, the directors believe that the Company as well as the Gerald group will be in operation for a period of at least 12 months from the date of signing the financial statements. The Company is a holding company and manages the funds from affiliated companies to meet its operational needs.

The Gerald Group has been in existence since 1962 and continues to be a private group owned and controlled by its employees. It is a global commodity merchant which has historically focused on base, precious and ferrous metals, including all of the associated raw materials. Its activities span across the entire supply chain, which include mining operations, logistics and storage, financing of such commodities, and customized financial market solutions.

As of the date of this report, the Russia Ukraine conflict has not had a material impact on the Company mainly due to not having any operational footprint and limited trading exposure related to the conflict areas. The Group complies with all sanctions applicable to its business activities. The Company's management believe that it will not have a material impact to the Company's business.

Gerald International Limited

Annual report and financial statements 31 December 2022

Directors' report

(expressed in thousands of US\$)

After making enquiries on the basis of these additional factors, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Directors of the Company

The current directors, who held office throughout the year, are shown on page 2. No indemnity nor insurance benefits paid to Directors for year ended 2021 and year ended 2022.

Each of the persons who is a director at the date of approval of this report confirms that:

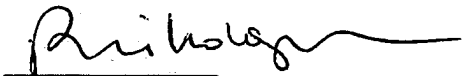
- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Independent Auditors

Deloitte LLP has expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed to the shareholders.

By order of the Board,



Patricia Nikolopoulos

Director

12 February 2024

Gerald International Limited

Annual report and financial statements 31 December 2022

Directors' responsibilities statement

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law, the directors have elected to prepare the financial statements in accordance with UK adopted international accounting standards and the International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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

Independent auditor's report to the members of Gerald International Limited

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive profit/(loss);
- the balance sheet;
- the statement of cash flow;
- the statement of changes in equity;
- the statement of significant accounting policies; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards and IFRSs as issued by the IASB.

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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

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.

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

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business. In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house as well as legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.
- As disclosed in "Statement of Changes in Equity" of the financial statement, during the prior and current period, the Company made certain distributions otherwise than in accordance with the requirements of the Companies Act 2006 as the Company did not have adequate distributable earnings. In response to this matter, we performed additional procedures to check the appropriateness and the completeness of distributions in the periods and the company's response to the such distributions, including reviewing relevant legal advice received by the company.

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 directors' 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 director's strategic report and the directors' report have 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 strategic report and the directors' report.

Matters on which we are required to report by exception

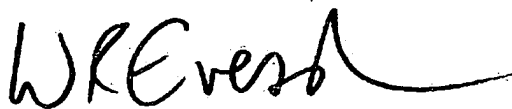
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

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.



William Eversden, ACA (Senior statutory auditor)

for and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

12 February 2024

GERALD INTERNATIONAL LIMITED**STATEMENT OF COMPREHENSIVE PROFIT / (LOSS)
FOR THE YEAR ENDED 31 DECEMBER 2022****(expressed in thousands of US\$)**

	Notes	Year ended 31 December 2022	Year ended 31 December 2021
Dividend Income		-	57,000
Interest income	6	1,861	1,181
Interest expense	6	(8,331)	(6,658)
Net financing (cost) / income		(6,470)	(5,477)
Other income / (expenses), net	6	(3,048)	(1,332)
Management fee income	6	102	2,032
General administrative and other expenses	6/7	(235)	(1,808)
Profit / (loss) from operating activities		(9,651)	50,415
PROFIT / (LOSS) BEFORE TAX		(9,651)	50,415
Income tax credit	9	-	-
NET PROFIT / (LOSS)		(9,651)	50,415

All the amounts in the current period arise from continuing operations. There are no other items of comprehensive profit/loss other than as included above. Accordingly, no separate statement of other comprehensive profit / (loss) is presented.

The notes form an integral part of the financial statements.

GERALD INTERNATIONAL LIMITED

BALANCE SHEET

AS OF 31 DECEMBER 2022

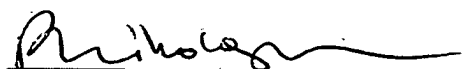
(expressed in thousands of US\$)

	Notes	31 December 2022	31 December 2021
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents		5,228	203
Trade and other receivables	11	508	510
Accounts receivable from affiliated companies	15	76,839	125,183
Other current assets		228	329
Total current assets		82,803	126,225
NON-CURRENT ASSETS:			
Investments in subsidiary	10	533,393	533,393
Other assets		1,293	1,339
Total non-current assets		534,686	534,732
TOTAL		617,489	660,957
LIABILITIES AND SHAREHOLDER'S EQUITY			
CURRENT LIABILITIES:			
Loans payable	12	-	70,000
Accounts payable to affiliated companies	15	406,772	355,401
Accrued expenses and other liabilities		398	586
Total current liabilities		407,170	425,987
Total liabilities		407,170	425,987
SHAREHOLDER'S EQUITY:			
Share capital			
Additional paid-in capital	13	285,061	285,061
Accumulated deficit		(74,742)	(50,091)
Total shareholder's capital and shareholder's equity		210,319	234,970
TOTAL		617,489	660,957

The notes form an integral part of the financial statements.

The financial statements were approved by the Board of Directors and authorized for issue on 12 February 2024.

Signed on behalf of the Board of Directors,



Patricia Nikolopoulos
Director

Company Registration No. 11135613

GERALD INTERNATIONAL LIMITED**STATEMENT OF CASH FLOW****FOR THE YEAR ENDED 31 DECEMBER 2022****(expressed in thousands of US\$)**

	Year ended 31 December 2022	Year ended 31 December 2021
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES:		
Net (loss) / profit	(9,651)	50,415
Adjustments for:		
- Dividend income	-	(57,000)
- Interest income	(1,861)	(1,181)
- Interest expense	8,331	6,658
- Impairment/Write-off of receivables	4,942	6,570
Operating cash flows before movement in working capital	1,761	5,462
Working capital movements:		
- Decrease in trade and other receivables	2	5,371
- Increase in receivable/payable due from/to affiliated companies	88,543	160,207
- Decrease in other assets	147	21,184
- Decrease in accrued expenses and other liabilities	(188)	(6,005)
	88,504	180,757
Interest paid	(240)	(2,769)
Operating cash flows	90,025	183,450
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES:		
Proceeds from borrowings from banks	-	60,000
Repayments of borrowings from banks	(70,000)	(243,500)
Dividends paid	(15,000)	-
Cash flows from financing activities	(85,000)	(183,500)
Net increase in cash and cash equivalents	5,025	(50)
CASH AND CASH EQUIVALENTS, beginning of period	203	253
CASH AND CASH EQUIVALENTS, end of period	5,228	203

The notes form an integral part of the financial statements.

GERALD INTERNATIONAL LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

(expressed in thousands of US\$)

	Notes	Share Capital	Additional paid-in capital	Retained deficit	Total equity
Balance – 1 January 2021		-	285,061	(90,506)	194,555
Dividends declared		-	-	(10,000)	(10,000)
Net Profit		-	-	50,415	50,415
Balance – 31 December 2021		-	285,061	(50,091)	234,970
Balance – 1 January 2022		-	285,061	(50,091)	234,970
Dividends declared		-	-	(15,000)	(15,000)
Net Loss		-	-	(9,651)	(9,651)
Balance – 31 December 2022		-	285,061	(74,742)	210,319

In 2021 and 2022, the Company declared dividends for a total value of US 25,000 thousand from its retained deficit, paid to its parent company, Gerald Group Limited. While the Company had positive equity, it had insufficient distributable earnings. The Company plans to remedy its distributable profits position during the financial year of 2024 through a conversion of additional paid-in-capital into distributable earnings and accordingly waive the amount due back from the parent company in respect of these dividends.

The notes form an integral part of the financial statements.

GERALD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(expressed in thousands of US\$)

1. NATURE OF OPERATIONS AND ORGANISATION OF THE COMPANY

Gerald International Limited ("GIL" or the "Company") is a private company incorporated on 5 January 2018 in England and Wales with its registered office at One Strand, Grand Buildings, London. The principal activities of the Company are to act as a holding and reporting company for all of the Gerald Group (the "Group") subsidiaries. GIL's immediate parent and controlling entity of the Gerald Group is Gerald Group Limited ("GGL"), a private company incorporated in England and Wales. The ultimate controlling party is filed by Gerald Group Limited with Companies House and can be located at www.gov.uk.

2. BASIS OF PRESENTATION

The financial statements have been prepared in accordance with International Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board (IASB), under the historical cost convention, except for the revaluation of certain financial instruments which are measured at fair value at the end of each reporting period through the statement of comprehensive income, as explained in the accounting policies herein. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements and deliver them to the Register of Companies. These financial statements present information about the Company as an individual undertaking and not about its group. The Company is included in the consolidated financial statements of Gerald Group Limited as of 31 December 2022. A copy of the consolidated financial statements can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

Under International Accounting Standard ("IAS") 1 – Presentation of Financial Statements, management shall assess an entity's ability to continue as a going concern. With the support from the Gerald group and the Company's current capital, management believes that the Company has the ability to meet all necessary liabilities as they come due and will continue operations for the foreseeable future. Based on this, management has concluded that going concern basis of preparation has been considered appropriate.

3. ADOPTION OF NEW AND REVISED STANDARDS

Adoption of revised standards

The Company has adopted all the Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 January 2022. The following have been applied for the first time in 2022.

Effective for annual periods beginning on or after		
IAS 16 (amendments)	Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
IFRS 3 (amendments)	Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2022
IAS 37 (amendments)	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022

Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use

This amends the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity will need to recognize these in profit or loss. The application of the amendment did not have material impact on the financial statements.

GERALD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(expressed in thousands of US\$)

3. ADOPTION OF NEW AND REVISED STANDARDS *(continued)*

Amendment to IFRS 3 – Amendments to References to the Conceptual Framework in IFRS Standards

This amendment updates IFRS 3 to now refer to the 2018 Conceptual Framework instead of the 1989 Framework, to apply IAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination, and to add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination. The application of the amendment did not have material impact on the financial statements.

Amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract

This amendment specifies that costs that relate directly to a contract can either be incremental costs of fulfilling that contract (i.e. direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (i.e. allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The application of the amendment did not have material impact on the financial statements.

New and revised standards not yet effective

At the date of issuance of these financial statements, the following Standards and Interpretations were issued or amended but not yet effective:

Effective for annual periods beginning on or after

IFRS 17	Insurance Contracts	1 January 2023
IAS 1 (amendments)	Classification of Liabilities	1 January 2023
IAS 1 (amendments)	Materiality of Accounting Policy Disclosure	1 January 2023
IAS 8 (amendments)	Definition of Accounting Estimates	1 January 2023
IAS 12 (amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
IFRS 16 (amendments)	Lease Liability in a Sale and Leaseback	1 January 2024
IAS 1 (amendments)	Non-current Liabilities with Covenants	1 January 2024

IFRS 17 – Insurance Contracts

IFRS 17 will be deferred from the initial application by two annual years to begin on or after 1 January 2023. This amendment includes a clarification of the application of IFRS 17 in interim financial statements allowing an accounting policy choice at a reporting entity level. Additionally, this will include amendments to require an entity that at initial recognition recognizes losses on onerous insurance contracts issued to also recognize a gain on reinsurance contracts held. The Company does not expect any significant changes to the financial statements upon application of these amendments.

Amendments to IAS 1 – Classification of Liabilities

This amendment only affects the presentation of liabilities in the statement of financial position – not the amount or timing of recognition of any asset, liability, income or expenses, or the information that entities disclose. This amendment also clarifies that the classification of liabilities as current or non-current is based on the rights that are in existence at the end of the reporting period. The Company does not expect any significant changes to the financial statements upon the adoption of the IAS.

Amendments to IAS 1 – Materiality of Accounting Policy Disclosure

The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies. The Company does not expect any significant changes to the financial statements upon the adoption of the IAS.

GERALD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(expressed in thousands of US\$)

3. ADOPTION OF NEW AND REVISED STANDARDS *(continued)*

Amendments to IAS 8 – Definition of Accounting Estimates

This amendment replaces the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The Company does not expect any significant changes to the financial statements upon the adoption of the IAS.

Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

These amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise in initial recognition. The Company does not expect any significant changes to the financial statements upon the adoption of the IAS.

Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback

The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The Company does not expect any significant changes to the financial statements upon the adoption of the amendment.

Amendments to IAS 1 – Non-current Liabilities with Covenants

The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The Company does not expect any significant changes to the financial statements upon the adoption of the amendment.

4. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in preparing the financial statements of the Company are as follows:

Foreign currencies - The Company’s financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency). For the purpose of the financial statements, the results and financial position are expressed in United States dollars (“US \$”), which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements of the Company, transactions in currencies other than the Company’s functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized in the statement of comprehensive loss in the period in which they arise except for:

- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which forms part of the net investment in a foreign operation, and which are recognized in the foreign currency translation reserve and recognized in profit or loss on disposal of the net investment.

Financial instruments - Financial assets and financial liabilities are recognized on the balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets are classified as either financial assets at amortized cost, FVTOCI or FVTPL depending on the business model for managing the financial assets and the nature of the contractual cash flow characteristics of the financial asset. Financial liabilities are classified as either financial liabilities at amortized cost or FVTPL.

Cash and cash equivalents - Consist of highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less when purchased.

GERALD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(expressed in thousands of US\$)

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Bank borrowings - Interest-bearing bank loans and overdrafts are initially measured at fair value, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs.

Borrowing costs - All costs are recognized in the statement of comprehensive loss in the period in which they are incurred.

Provisions - The Company records provisions when it has an obligation to satisfy a claim, it is probable that an outflow of Company resources will be required to satisfy the obligation and a reliable estimate of the amount can be made.

In the case of litigation and claims relating to services rendered, the amount that is ultimately recorded is the result of a complex process of assessment of a number of variables, and relies on Management's judgment, as informed by expert legal advice, about the circumstances surrounding the past provision of services. Changes in estimates are reflected in the statement of comprehensive income in the period in which the change occurs.

Revenue recognition - Revenue is recognized when the performance obligations have been satisfied, which is once control of the goods and/or services has transferred from the Company to the buyer. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

Sales are recognized when the product is delivered to the destination, which is typically the vessel on which it is shipped, the destination port or the customer's premises specified by the customer, and the buyer has gained control through their ability to direct the use of and obtain substantially all the benefits from the asset.

Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognized using the original effective interest rate.

Dividend income from investments is recognized when the shareholder's rights to receive payment have been established.

Expense recognition - Expenses are recognized in the period when they are incurred.

Taxes - Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the period. Taxable income differs from income before tax as reported in the statement of comprehensive income because it excludes items of income and expenses that are taxable or deductible in other periods and it further excludes items that are neither taxable nor deductible.

The Company's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit, or in the case of a taxable temporary difference only, the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realized. Deferred tax is charged or credited to the statement of comprehensive income.

GERALD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(expressed in thousands of US\$)

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Dividends - Dividends are reported as a movement in equity in the period when they are approved by the shareholders.

Contingencies - By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential impact of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events. The Company assesses its contingencies based upon the best information available, relevant laws and other appropriate requirements. Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Judgements

In the process of applying the Company's accounting policies (Note 4), Management makes estimates and assumptions that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual outcomes could differ from those estimates. Estimates are used in accounting for derivative assets and liabilities, bad debt provisions on receivables, commodities owned, allowances, depreciation, taxes, provisions and contingencies.

Estimates and assumptions are reviewed periodically and the effects of any changes in estimates are reflected in the statement of comprehensive income.

The Company identifies a policy as being significant when it requires Management to make complex and/or subjective judgments and estimates about matters that are inherently uncertain. In the process of applying the Company's accounting policies described above, Management has made the following judgments that have a significant effect on the amounts recognized in the financial statements:

Allowances - During the period ended 31 December 2022, the Company did not record any allowances.

Use of estimates

The key assumptions concerning the future, and other key sources of estimation at the balance sheet date that have a risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial period, are discussed below:

Recoverability of trade accounts and other receivables – Trade accounts and other receivables are reflected net of an estimated allowance for expected credit losses. These allowances, when recorded, are estimated based primarily on the Company's aging policy guidelines, individual client analysis and an analysis of the underlying risk profile of each major revenue stream by business and geography.

Impairment of investments in subsidiaries – During the period ended 31 December 2022, the Company did not record any impairment on investments in subsidiaries. This is based on assumptions and performance of underlying subsidiaries.

GERALD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(expressed in thousands of US\$)

6. PROFIT BEFORE TAX

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

US\$ thousands	Year ended 31 December 2022	Year ended 31 December 2021
Dividend income	-	57,000
Interest income	1,861	1,181
Interest expenses	(8,331)	(6,658)
General administrative expenses	(235)	(1,808)
Other income / (expenses), net	(3,048)	(1,332)
Management fee income	102	2,032

7. GENERAL ADMINISTRATIVE AND OTHER EXPENSES

US\$ thousands	Year ended 31 December 2022	Year ended 31 December 2021
Professional services	8	297
Bank Fees	112	1,315
Auditors' remuneration - audit services	23	36
Other administrative costs	92	160
Total	235	1,808

8. EMOLUMENTS OF DIRECTORS AND STAFF PARTICULARS

As in prior year, the Company had no employees during the financial year and paid no emoluments to directors.

9. TAXATION

a) Tax

The current tax is made up as follows:

	Year ended 31 December 2022	Year ended 31 December 2021
Current tax	-	-
Deferred tax	-	-
Total tax credit	-	-

b) Factors affecting current tax

	Year ended 31 December 2022	Year ended 31 December 2021
Profit (loss) before tax	(9,651)	50,415
Theoretical tax at UK corporation tax rate of 19.00%	1,834	(9,579)
Permanent difference	(939)	9,582
Deferred tax not recognized	(895)	(3)
Total tax credit	-	-

The Company has unrecognized deductible temporary differences carried forward of US \$9,118 thousand (2021:US \$4,408 thousand).

GERALD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(expressed in thousands of US\$)

9. TAXATION (continued)

As per the 2021 UK Budget the Corporation tax rate will change from 19% to 25% for companies with profits over £250,000 from 1st April 2023. However, in the September 2022 Mini Budget it was announced that the increase to 25% would now not occur and the Corporation Tax Rate would instead be held at 19%. This rate had not been substantively enacted at the balance sheet date, and as the result the deferred tax balances as at 31 December 2022 continue to be measured at 19% rate noted above.

10. INVESTMENTS IN SUBSIDIARY

The below listing represents subsidiaries held by the Company and the Company's portion of controlling or voting interest as of 31 December 2022 :

Name of subsidiary or investment in associate	Place of incorporation (or registration)	2022	2021
Gerald US International Limited	Tricor Services Limited, PO Box 3340, Road Town, Tortola, BVI	100%	100%
Gerald Trading USA LLC	680 Washington Blvd., Stamford, Connecticut, 06901, United States of America	100%	100%
GISA Brazil Limitada	City of Sao Paulo, State of Sao Paulo, Avenida Angelica, No. 2.510, Consolacao, 01228-200 Brazil	100%	100%
Sapuchi Minera Holdings One B.V.	Blaak 31, 3011 GA Rotterdam, the Netherlands	100%	100%
GG Services Limited	Tricor Services Limited, PO Box 3340, Road Town, Tortola, BVI	100%	0%
Marampa Group Limited (formerly Gerald Metals Management Limited)	One Strand, Grand Buildings, London, UK, WC2N 5HR	0%	100%
Lucky Copper S.A.	Tricor Services Limited, PO Box 3340, Road Town, Tortola, BVI	100%	100%
Gerald Singapore PTE Limited	1 Raffles Place, #18-01 One Raffles Place Singapore	100%	100%
Gerald Metals S.A.R.L.	29 Rue de la Gare, 1110 Morges, Switzerland	100%	100%
Global Mining Development LP	Tricor Services Limited, PO Box 3340, Road Town, Tortola, BVI	100%	100%
Gerald Industrial S.A.R.L.	29 Rue de la Gare, 1110 Morges, Switzerland	100%	100%
Post Road Holdings Limited	Tricor Services Limited, PO Box 3340, Road Town, Tortola, BVI	100%	100%
Gerald Holdings Limited	One Strand, Grand Buildings, London, UK, WC2N 5HR	100%	100%

The movement during the period (expressed in thousands of US\$):

Balance as at 1 January 2021	533,393
Balance as at 31 December 2021	533,393
Balance as at 1 January 2022	533,393
Balance as at 31 December 2022	533,393

On 7 May 2021 the Group signed a binding Memorandum of Understanding ("MoU") with the GoSL to settle all outstanding legal disputes between the parties, subject to the GoSL fulfilling certain conditions. On 29 July 2021, a conditional Settlement and Release Agreement ("Settlement Agreement") building on the MoU was put in place between the GoSL, SLM, Gerald International Limited and Marampa Mines Limited ("MML") being the newly created entity, wherein Gerald Group owns a 90% interest and the GoSL owns a 10% non-dilutable interest. MML took over all assets and rights of SL Mining. The Group started re-commission of the project on 1 September 2021 and began to work on an expansion program to increase Marampa production capacity. Newly formed MML is included to the consolidated financial statements of Gerald Group Limited as of 31 December 2021 and it is not an indirectly wholly owned subsidiary of GIL.

During the year ended 31 December 2022, the Company had no dividend income (2021: US \$57,000 thousand).

In the Directors' view, there are no indicators of impairment of investments in subsidiaries and the fair value of these investments is not less than their carrying value.

GERALD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(expressed in thousands of US\$)

11. TRADE AND OTHER RECEIVABLES

US\$ thousands	31 December 2022	31 December 2021
Financial assets at amortized cost		
Receivable from related party	417	423
VAT receivable	89	85
Other receivable	2	2
Total	508	510

12. LOANS PAYABLE TO BANKS

As of 31 December 2022, there were no bank loans payable on demand or within one year (2021: US \$70,000 thousand). As of 31 December 2022, there were no long-term bank loans payable (2021: nil).

As of 31 December 2021, a substantial portion of the Company's bank loans payable were collateralized by pledges of certain inventories owned, accounts receivable and provisional payments on purchases by the Gerald Group subsidiaries.

There were no covenants applicable for the Company as of 31 December 2022 (the Company was in compliance with all of this corporate and financial covenant as of 31 December 2021).

For the period ended 31 December 2022, the Company recognized a cash movement of US \$70,000 thousand (2021: US \$183,500 thousand) for current and non-current bank loans and an expense in accrued interest of US \$240 thousand (2021: \$7 thousand).

13. EQUITY

Authorized, issued and fully paid	31 December 2022	31 December 2021
912,450 ordinary shares of GB £0.0001 each	91.245	91.245

GERALD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(expressed in thousands of US\$)

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Components of the Company's business could be impacted by various external factors namely, political events, unfavorable action by governments, natural catastrophes, and other macroeconomic events like recession. It is the Company's policy to actively manage such risks in order to mitigate the impacts where possible. The Company manages its capital to ensure that entities in the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from the previous period.

The capital structure of the Company consists of debt, which includes the borrowings disclosed in notes, cash and cash equivalents and equity attributable to shareholder of the parent.

The Company's activity is exposed to a number of financial risks arising from external factors. These include market risks relating to foreign currency exchange rates, interest rates, commodity prices, credit risks, and liquidity risks. The Company's overall risk management program focuses on the unpredictability of financial markets, flexibility retention, while seeking to minimize any potential adverse effects on the Company's financial performance. A main component of the risk management strategy is the utilization of financial instruments to hedge these risks in order to mitigate the associated exposures.

Risk management is carried out by the Company's financial and risk professionals who report to Senior Management on a regular basis entailing a significant amount of coordination with the various commodity departments. There have been no significant changes in the manner the Company manages the exposures in the financial risks faced by the Company.

The accounting classification of each category of financial instruments and their carrying amounts are set out below:

	31 December 2022	31 December 2021
US\$ thousands	Amortized cost	Amortized cost
Financial Assets		
Current Assets		
Cash and cash equivalents	5,228	203
Trade and other receivables	508	510
Accounts receivables due from affiliated companies	76,839	125,183
Other current assets	228	329
Total financial assets	82,803	126,225
Financial Liabilities		
Current Liabilities		
Accounts payables due to affiliated companies	(406,772)	(355,401)
Loans payable	-	(70,000)
Accrued expenses and other liabilities	(398)	(586)
Total financial liabilities	(407,170)	(425,987)
Total net	(314,367)	(299,761)

The financial instruments' carrying amount are either the fair value, or approximates fair value.

Market risk

Market risk is the risk arising from possible market price movements and their impact on the future performance of a business. The Company's activities expose it primarily to the financial risks from changes in commodity prices, foreign currency exchange rates, and in interest rates.

GERALD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(expressed in thousands of US\$)

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

Foreign currency risk

The Company is exposed to the effects of fluctuations in exchange rates of foreign currencies such, as EUR and GBP. However, where possible, the Company enters into foreign exchange contracts to hedge against this currency exposure. As of 31 December 2022, the exposure for the Company by currency was assessed as negligible.

Interest rate risk

In general, the Company borrows on a secured and unsecured basis in a mix of committed and uncommitted facilities which generally range from 2% to 4%. Loans are primarily arranged at a fixed interest rate over short periods to finance the trading activities of the Company. As of 31 December 2022 there were no loans payable (2021: a substantial portion of the Company's bank loans payable to banks were collateralised by pledges of certain inventories owned, accounts receivable and provisional payments on purchases held by the Gerald Group). The majority of all borrowing is basis cost of funds.

The Company's interest rate risk arises primarily from short-term borrowings used to finance its trading activities. These borrowings are generally transacted at rates which are fixed upon incurring the borrowing and could expose the Company to fair value interest rate risk. The Company generally seeks to match-fund its working capital assets or forward commitments to the associated borrowings so as to minimise this risk. In addition, given the short-term nature of the borrowings for which the Company is generally contractually obligated to its banks, the risk of an impact in the income statement is effectively nil. Management considers the Company's exposure to this risk as negligible.

Credit risk

Credit risk refers to the risk that counterparty will fail to perform or fail to pay amounts resulting in financial loss to the Company. Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of cash and cash equivalents, trade receivables, and the derivative financial instruments. The Company's cash and cash equivalents are deposited in several high-quality financial institutions thereby mitigating exposure should any one of them experience financial difficulties. For 2022, all estimated credit losses were immaterial.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations when due. The Gerald Group's Treasury department monitors the liquidity risk and uses for this purpose a number of liquidity risk management techniques for the management of the Company's short- and medium-term funding and liquidity requirements. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of credit arrangements (typically uncommitted trade finance facilities), and the ability to close out market positions.

GERALD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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15. RELATED PARTY BALANCES AND TRANSACTIONS

The Company had the following related party balances and transactions:

Accounts receivables due from affiliated companies	31 December 2022	31 December 2021
Gerald Group Limited	5,875	63,692
Gerald Metals LLC	38,093	39,860
Other	32,871	21,631
Total	76,839	125,183
Accounts payables due to affiliated companies	31 December 2022	31 December 2021
Gerald Metals S.A.R.L.	265,132	257,136
Other	141,640	98,265
Total	406,772	355,401
Interest income	31 December 2022	31 December 2021
Gerald Metals LLC	1,618	1,103
GT Commodities LLC	243	-
Gerald Metals S.A.R.L.	-	78
Total	1,861	1,181
Management fee income	31 December 2022	31 December 2021
Gerald Metals S.A.R.L.	102	2,032
Total	102	2,032
Dividend income	31 December 2022	31 December 2021
Global Mining Development LP	-	50,000
Gerald Singapore PTE Limited	-	7,000
Total	-	57,000
Guarantee fee income	31 December 2022	31 December 2021
Gerald Metals S.A.R.L.	1,578	4,178
GT Commodities LLC	323	1,060
Total	1,901	5,238

16. SUBSEQUENT EVENTS

After the balance sheet date, no material events have occurred that should be reflected in the financial statements.

17. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorized for issue 12 February 2024.