

LR25 Ltd
Financial Statements for the Period
31 December 2021



COMPANY INFORMATION

Director

Mr Michael John Foster

Registered Office

7 Howick Place

London

SW1P 1BB

United Kingdom

Auditors

For the year ended 31 December 2021, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The Director has not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476. The Director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

STRATEGIC REPORT
For the year ended 31 December 2021

The director presents the Strategic Report of LR25 Ltd (the 'Company') for the period ended 31 December 2021.

BUSINESS REVIEW

The Company was incorporated on 8 June 2020 and domiciled in the United Kingdom. The Company is a holding Company for the investment in Javelin Management Services II LLP, which holds a 38.429% investment interest in Javelin Global Commodities Holdings LLP as of 31 December 2021

Javelin Global Commodities Holdings LLP, through its subsidiaries, is a global physical commodities trading, logistics, operations, and investment company active across multiple commodity sectors. Javelin Global Commodities Holdings LLP is headquartered in London with offices in the United States, Australia, Switzerland, Israel, India, and Singapore.

KEY PERFORMANCE INDICATORS

The Companies Act 2006 requires directors to disclose the Company's key performance indicators (KPIs). The KPIs of the Company for the year ended 31 December 2021 are, in the opinion of the director, satisfactory and as follows:

	Period Ended 31 December 2021 (\$'000)
Dividend income	6
Profit	-

PRINCIPAL RISKS AND UNCERTAINTIES

The key business risks and uncertainties affecting the Company relate to Javelin Global Commodities Holdings LLP's performance and its ability to generate distributable cash flow to the Company.

The liquidity of the Company is dependent on Javelin Global Commodities Holdings LLP's ability to generate distributable cash flow.

EMPLOYEES

The Company currently employs no employees.

Approved by and signed on behalf of the Director,



Michael Foster
(Director)

28 September 2022

DIRECTOR REPORT**For the year ended 31 December 2021**

The director presents its Director Report of LR25 Ltd (the 'Company') for the period ended 31 December 2021.

DIRECTOR

The director holding office during the year and to date of this report is:

Michael John Foster

The director of the Company has a 50% interest in the shares of the Company.

OUTLOOK

The Company believes the strong financial performance of its investment entity put the Company in a financial position to support the business activities.

SHARE CAPITAL

No share capital was issued during the year.

DIVIDEND

The Company did not declare any dividends during the year.

FUTURE DEVELOPMENT

The Company does not expect any material changes to its business in the coming year.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial risk management objectives and policies are disclosed in the Strategic Report.

DIRECTORS INDEMNITIES

The Company indemnifies the director in its Articles of Association to the extent allowed under section 232 of the Companies Act 2006. Qualifying third party indemnity provisions in the form of a Directors' and Officers' insurance policy are in place for the benefit of the Company's directors and they remain in force at the date of this report.

CHARITABLE AND POLITICAL DONATIONS

During the year, the Company did not make either charitable or political donations.

POLICY AND PRACTICE WITH RESPECT TO PAYMENT OF SUPPLIERS

It is the Company's policy that payments to suppliers are made in accordance with the terms and conditions agreed between the Company and its suppliers, provided that all relevant trading terms and conditions have been complied with.

SUBSEQUENT EVENT REVIEW

Events subsequent to 31 December 2021 that would materially affect the financial statements are included at Note 16.

GOING CONCERN

The director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the next 12 months from the date of signing these financial statements. As such, the director continues to adopt the going concern basis of accounting in preparing the annual financial statements.

In assessing the impact of COVID-19 on the Company's ability to operate as a going concern, management has identified the only potential risk as being a possible impairment in the carrying value of the investment in subsidiaries. The Director is of the view that this risk is not material as the Company expects to recover the value of its investments through the ongoing distributions from the Javelin Global Commodities Holdings LLP and its operating subsidiaries. Disclosures on impact of COVID-19 on the going concern of the Javelin Global Commodities Holdings LLP are included in the Consolidated Group financial statements.

DIRECTOR REPORT (CONTINUED)
For the year ended 31 December 2021

The Director Report comprising pages 3 and 4 including the sections of the financial statements referred to in these pages, has been approved by the Director.



Michael Foster
(Director)
28 September 2022

DIRECTOR RESPONSIBILITIES STATEMENT

The director is responsible for preparing the Strategic report, the Director report, and the financial statements in accordance with applicable United Kingdom 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 International Financial Reporting Standards (IFRS) in conformity with the requirements of the Companies Act 2006. 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 the comprehensive income of the Company for that period. In preparing these financial statements, the directors are required to:

- Present fairly the financial position, financial performance, and cash flows of the Company.
- Select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- Present information, including accounting policies in a manner that provides relevant, reliable comparable and understandable information.
- Provide additional disclosure when compliance with the specific requirement of IFRSs is insufficient to enable user to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance.
- State that the Company has complied with international accounting standards in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements.
- Prepare financial statements on a going concern basis, unless it is inappropriate to presume that the LLP will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable 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.

The director confirms that they have complied with the requirements' have a reasonable expectation that the Company has adequate resources to continue to operation existence for the foreseeable future and continue to adopt the going concern basis in preparing the financial statements.

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2021

		31 December 2021	8 June to 31 December 2020 <i>(restated)</i>
	Notes	\$'000	\$'000
Dividend income	6	3	300
Other income / (expense)		-	-
Profit before tax from continuing operations		3	300
Income tax expense		(3)	(6)
Profit for the year from continuing operations		-	294

All items in the statement of comprehensive income above are derived from continuing operations. There is no other comprehensive income.

The notes on pages 11 to 15 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2021

	Share Capital	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000
Balance at 8 June 2020	-	-	-
Profit for the period from continuing operations	-	294	294
Balance at 31 December 2020	<u>-</u>	<u>294</u>	<u>294</u>
Profit for the year from continuing operations	-	-	-
Balance at 31 December 2021	<u>-</u>	<u>294</u>	<u>294</u>

The notes on pages 11 to 15 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2021

		2021	2020
	Notes	\$'000	(restated) \$'000
ASSETS			
Non-current assets			
Investment in associate	6	469	469
		<u>469</u>	<u>469</u>
Current assets			
Other receivables	8	-	6
		<u>-</u>	<u>6</u>
Total Assets		<u>469</u>	<u>475</u>
LIABILITIES			
Loan	10	175	175
Other payables	9	-	6
		<u>175</u>	<u>181</u>
Total Liabilities		<u>175</u>	<u>181</u>
Net Assets		<u>294</u>	<u>294</u>
EQUITY			
Issued capital	7	-	-
Retained earnings	7	294	294
Total Equity		<u>294</u>	<u>294</u>

For the year ending 31 December 2021, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The director has not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476. The director acknowledges their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were authorised for issue by the Director on 28 September 2022.



Michael Foster

(Director)

28 September 2022

The notes on pages 11 to 15 are an integral part of these financial statements.

STATEMENT OF CHANGES IN CASH FLOWS
For the period ended 31 December 2021

	31 December 2021	8 June to 31 December 2020 (restated)
	\$'000	\$'000
Operating Activities		
Profit for the year available	-	-
Changes in:		
Other payables	6	-
Cash generated from operating activities	6	-
Income tax paid	(9)	-
Net cash flows from operating activities	(3)	-
Investing activities		
Investment at cost	-	(469)
Distributions received	3	300
Net cash flows from investing activities	3	(169)
Financing activities		
Proceeds from loan	-	469
Repayment of loan	-	(300)
Net cash flows from financing activities	-	169
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents, beginning of period	-	-
Cash and cash equivalents, end of year	-	-

** Distribution for the period ended 31 December 2020 received by the Company did not involve physical movement of cash. The distribution received, and subsequently paid to satisfy a loan obligation, was paid direct to Loan holder via an authorized flow of flows memorandum.*

The notes on pages 11 to 15 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2021

1. Company Information

These financial statements reflect the financial performance and position of LR25 Ltd (the 'Company') for the period ended 31 December 2021. The Company is a private company limited by shares incorporated and domiciled in the United Kingdom of Great Britain and Northern Ireland. The registered office is located in London, United Kingdom. The Company was incorporated on 8 June 2020.

The Company is a holding Company for the investment in Javelin Management Services II LLP, which holds a 38.429% investment interest in Javelin Global Commodities Holdings LLP as of 31 December 2021.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

The financial statements have been prepared on a historical cost basis except for the revaluation of certain financial assets and liabilities that are measured and revalued at fair value at the end of each reporting period as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The financial statements are presented in US Dollars (\$), the functional currency of the Company and all values are rounded to the nearest thousand (\$000), except when otherwise indicated.

3. Summary of significant accounting policies

a) Accounting standards adopted

The Company has not adopted any new standards or early adopted any standards, interpretation or amendments that have been issued by are not yet effective.

b) Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on the current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the period ended 31 December 2021****3. Summary of significant accounting policies (continued)****d) Investments**

Investments in which the Company has no significant influence and ownership giving rise to voting rights is less than 20%, the Company accounts for its investment using the cost method of accounting. Under the cost method of accounting, the investment is recorded as an asset based on historical cost; purchase price. Dividends received from the investee are recorded as dividend income and do not impact the investment account.

e) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above as they are considered an integral part of the Company's cash management.

f) Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of other comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

g) Going Concern

As noted in the Directors' Report, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the next 12 months from the date of signing these financial statements. As such, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

In assessing the impact of COVID-19 on the Company's ability to operate as a going concern, management has identified the only potential risk as being a possible impairment in the carrying value of the investment in associate. The Directors are of the view that this risk is not material as the Company expects to recover the value of its investments through the ongoing distributions from Javelin Global Commodities Holdings LLP operating companies.

Disclosures on impact of COVID-19 on the going concern of Javelin Global Commodities Holdings LLP are included in the Consolidated Group financial statements. The Company has no liabilities and there is no material risk that it will not be able to continue as a going concern for at least 12 months from the issuance date of these financial statements.

4. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements in conformity with International Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Investments

The Company has considered the 2.346% investment held in Javelin Management Services II LLP and consider it to be an investment at cost. The investment in Javelin Management Services II LLP is accounted for using the cost method of accounting.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the period ended 31 December 2021****5. Capital management**

For the purpose of the Company's capital management, capital includes issued capital, and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to support distributions to equity holders.

6. Investment in associate

Details of the Company's investment is as follows:

Associates	Proportion of ownership 2021 %	Principal Activity
Javelin Management Services II LLP*	2.346	Holding Company

* Audited by Ernst & Young, LLP, United Kingdom.

The undertaking disclosed above is incorporated in the United Kingdom.

Summarised financial information in respect to the Company's investment is set out below. The summarised financial information below represents amounts shown in the investment's financial statements prepared in accordance with IFRS.

	31 December 2021	31 December 2020 \$'000
Non-current assets	150,525	76,436
Current assets	-	498
Non-current liabilities	7,931	7,931
Current liabilities	1,965	2,463
Net assets	<u>140,629</u>	<u>66,540</u>

	Year Ended 31 December 2021 \$'000	Period Ended 31 December 2020 \$'000
Gross profit	74,349	57,038
Profit for the year	74,349	57,038
Distribution received	3	300

The Company receives cash distributions in accordance with Javelin Management Services II LLP agreement and Javelin Global Commodities Holdings LLP Company Deed.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period ended 31 December 2021

7. Issued capital and reserves

Share capital includes total nominal proceeds of \$127 on the issue of the Company's equity share capital comprising of 100 fully paid Ordinary shares at £1/share. Director, Michael John Foster, owns 50% of the voting shares issued by the Company.

Authorised

		\$'000
		2021
Ordinary share capital (1 ordinary share)		-
	Shares	\$'000
<i>Share capital</i>		
At 31 December 2020	100	-
Share issuance	-	-
At 31 December 2021	<u>100</u>	<u>-</u>
		\$'000
<i>Retained earnings</i>		
At 31 December 2020		294
Profit for the year		-
At 31 December 2021		<u>294</u>

8. Other receivables

	2021 \$'000	2020 \$'000
Other receivables	-	6
	<u>-</u>	<u>6</u>

9. Other payables

	2021 \$'000	2020 \$'000
Other payables	-	6
	<u>-</u>	<u>6</u>

10. Loan and borrowings

	2021 \$'000	2020 \$'000
Loan and borrowings	175	175
	<u>175</u>	<u>175</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period ended 31 December 2021

11. Income tax

The major components of the income tax expense for the period ended 31 December 2021 is:

	2021
	\$'000
<i>Current income tax:</i>	
Current income tax charge	3
Income tax expense reporting in the statement of comprehensive income	<u>3</u>

Reconciliation of tax expense and the account profit multiplied by the UK's domestic tax rate for 2021:

	2021
	\$'000
Accounting profit before income tax	3
At the UK's statutory income tax rate	1
Other adjustments	2
Income tax expense reporting in the statement of comprehensive income	<u>3</u>

12. Staff costs

No directors were employed, or paid, by the Company during the year.

Number of persons employed as of 31 December 2021

13. Commitments and contingencies

At 31 December 2021, the Company had nil commitments or contingent liabilities.

14. Related party disclosures

Note 6 provides information on the Company's structure, including details of its investments. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operational decisions. Related parties represent associated companies, members, directors, and key management personnel of the Company of which they are principal owners. In the normal course of business, the Company enters into various arm's length transactions with related parties.

	2021	2020
	\$'000	\$'000
<i>Investment entity of the Company and its subsidiaries</i>		
Amount due (to) / from Javelin Management Services II LLP	-	6
<i>Member entity and / or members of the Company</i>		
Amount due (to) / from Director, Michael Foster	(175)	(175)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period ended 31 December 2021**15. Standards issued but not yet effective**

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's consolidated financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Amendments to IAS 1: Classification of liabilities as current or non-current

IAS 1 says that if a company has an unconditional right to delay settlement of a liability of at least 12 months from the end of the reporting period, then it can be classified as non-current. IASB have issued amendment to clarify the guidance by adding guidance about lending conditions, stating that management expectations does not impact classification and including requirements for liabilities that can be settled using an entities own instrument. The amendments are effective from 1 January 2023 and should be applied retrospectively, with entities being allowed to apply them to an earlier period, if they disclose that they have done so.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities that would be within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC 21 *Levies*, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the *Conceptual Framework*, to determine whether a present obligation exists at the acquisition date. At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. The amendments promote consistency in financial reporting and avoid potential confusion from having more than one version of the *Conceptual Framework* in use. The amendments must be applied prospectively and is effective for periods beginning on or after 1 January 2022.

16. Events after the reporting period

There have been no significant events affecting the Company since the financial position date.

17. Change in accounting policy and reclassifications

During the period, management determined that it is unable to demonstrate significant influence in its investee and as such has elected to apply the cost method of accounting for its investment. The comparable accounting period herein has been restated to align with the current accounting policy.