

## **Gemcorp Capital (Services) Limited**

Directors' Report and Financial Statements

Year Ended 31 December 2020

Company Number 08869490



## **Gemcorp Capital (Services) Limited**

### **Company Information**

---

<b>Directors</b>	G Sangha (appointed 30 November 2020) S Walton (resigned 30 November 2020) C T Leemhuis (appointed 1 April 2021) P D Shtereva (appointed 1 April 2021)
------------------	---

<b>Registered number</b>	08869490
--------------------------	----------

<b>Registered office</b>	2nd Floor 1 New Burlington Place London W1S 2HR
--------------------------	--

<b>Independent auditors</b>	Ernst & Young LLP 25 Churchill Place Canary Wharf London E14 5EY
-----------------------------	--

## **Gemcorp Capital (Services) Limited**

### **Contents**

---

	<b>Page</b>
<b>Directors' Report</b>	<b>1 - 2</b>
<b>Directors' Responsibilities Statement</b>	<b>3</b>
<b>Independent Auditor's Report</b>	<b>4 - 7</b>
<b>Statement of Comprehensive Income</b>	<b>8</b>
<b>Statement of Financial Position</b>	<b>9</b>
<b>Notes to the Financial Statements</b>	<b>10 - 22</b>

## **Gemcorp Capital (Services) Limited**

### **Directors' Report For the Year Ended 31 December 2020**

---

The directors present their report and the financial statements for the year ended 31 December 2020.

#### **Principal activity**

The principal activity of Gemcorp Capital (Services) Limited ("the Company") during the year continued to be that of a designated member and to act as a service provider to Gemcorp Capital LLP.

The directors do not anticipate any change in the Company's activity in the foreseeable future.

#### **Results**

The loss for the year, after taxation, amounted to \$59,195 (2019 - loss \$90,027).

#### **Directors**

The directors who served during the year were:

S Walton (resigned 30 November 2020)  
G Sangha (appointed 30 November 2020)

After the year end, C T Leemhuis and P D Shtereva were appointed as directors on 1 April 2021.

#### **Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- they have taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### **Going concern**

The accounts show a net current liability of \$17,907,993 (2019 - \$18,927,577) and net liabilities of \$85,955 (2019 - \$26,760) and have been prepared on a going concern basis due to the continued support from Gemcorp Capital LLP and the wider Gemcorp group for the oncoming 12 months.

The Company continues to monitor developments of the COVID-19 pandemic. After reviewing the risk profile of the Company, management does not believe that it will have a significant impact on the performance of the Company over the going concern period of 12 months.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and meet its liabilities as they fall due for a period of at least twelve months from the date that the financial statements were approved. Accordingly, they continue to adopt the going concern basis in preparing the Directors' report and financial statements.

## **Gemcorp Capital (Services) Limited**

### **Directors' Report (continued) For the Year Ended 31 December 2020**

---

#### **Post balance sheet events**

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

#### **Auditors**

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

#### **Small companies note**

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

This report was approved by the board and signed on its behalf.



**C T Leemhuis**  
Director

Date: 21 May 2021

## **Gemcorp Capital (Services) Limited**

### **Directors' Responsibilities Statement For the Year Ended 31 December 2020**

---

The directors are responsible for preparing the Directors' Report and the financial statements 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

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

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.

## **Gemcorp Capital (Services) Limited**

### **Independent Auditors' Report to the Members of Gemcorp Capital (Services) Limited**

---

#### **Opinion**

We have audited the financial statements of Gemcorp Capital (Services) Limited for the year ended 31 December 2020 which comprise of the Statement of Comprehensive Income, Statement of Financial Position and the related notes 1 to 19, 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 FRS 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 2020 and of its loss 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 the provisions available for small entities, in the circumstances set out in note 2.1 to the financial statements, 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 12 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

## **Gemcorp Capital (Services) Limited**

### **Independent Auditors' Report to the Members of Gemcorp Capital (Services) 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 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 this 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 there is 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the directors' for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the 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 the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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



## **Gemcorp Capital (Services) Limited**

### **Independent Auditors' Report to the Members of Gemcorp Capital (Services) Limited (continued)**

---

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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.

#### **Auditors' 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 Auditors' 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.

#### *Explanation as to what extent 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the requirements of the Companies Act 2006 as applied to limited liability companies, and relevant tax compliance regulations.
- We understood how Gemcorp Capital (Services) Limited is complying with those frameworks by making enquiries of management and those charged with governance to understand how the Directors maintain and communicate its policies and procedures in these areas, and corroborated this by reviewing minutes of board meetings for the year.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override. We performed journal entry testing by specific risk criteria, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management and those charged with governance, review of legal and professional expenses, and review of Board meeting minutes.

## Gemcorp Capital (Services) Limited

### Independent Auditors' Report to the Members of Gemcorp Capital (Services) Limited (continued)

---

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

DocuSigned by:



CAE5EFBAD7D6409...  
James Beszant (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

26 May 2021

## Gemcorp Capital (Services) Limited

### Statement of Comprehensive Income For the Year Ended 31 December 2020

	Note	2020 \$	2019 \$
Turnover		18,741,319	18,191,751
<b>Gross profit</b>		<u>18,741,319</u>	<u>18,191,751</u>
Administrative expenses		(19,305,499)	(18,424,065)
<b>Operating loss</b>	3	<u>(564,180)</u>	<u>(232,314)</u>
Gain on financial assets at fair value through profit and loss account		564,363	232,368
Interest receivable and similar income		-	9
Interest payable and similar expenses		(183)	(63)
<b>Profit before tax</b>		<u>-</u>	<u>-</u>
Tax on profit	5	(59,195)	(90,027)
<b>Loss for the financial year</b>		<u><u>(59,195)</u></u>	<u><u>(90,027)</u></u>

All amounts are in respect of continuing activities.

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2020 (2019:\$NIL).

The notes on pages 10 to 22 form part of these financial statements.

**Gemcorp Capital (Services) Limited**


Registered number: 08869490

**Statement of Financial Position  
As at 31 December 2020**

	Note	2020 \$	2019 \$
<b>Non current assets</b>			
Tangible assets	7	4,807,214	5,840,856
Investments	6	10,374,441	10,374,441
Debtors: amounts falling due after more than one year	8	2,640,383	2,562,199
Financial instruments through fair value profit and loss	11	781,477	2,163,923
		<u>18,603,515</u>	<u>20,941,419</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	1,188,645	1,705,968
Financial instruments through fair value profit and loss	11	3,277,921	2,106,246
Cash at bank and in hand		149,142	74,510
		<u>4,615,708</u>	<u>3,886,724</u>
Creditors: amounts falling due within one year	9	(22,523,701)	(22,814,301)
<b>Net current liabilities</b>		<u>(17,907,993)</u>	<u>(18,927,577)</u>
<b>Total assets less current liabilities</b>		<u>695,522</u>	<u>2,013,842</u>
Creditors: amounts falling due after more than one year	10	(781,477)	(2,040,602)
<b>Net liabilities</b>		<u>(85,955)</u>	<u>(26,760)</u>
<b>Capital and reserves</b>			
Called up share capital	13	2	2
Profit and loss account	14	(85,957)	(26,762)
		<u>(85,955)</u>	<u>(26,760)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 May 2021.



**C T Leemhuis**  
Director

The notes on pages 10 to 22 form part of these financial statements.

## **Gemcorp Capital (Services) Limited**

### **Notes to the Financial Statements For the Year Ended 31 December 2020**

---

#### **1. General information**

These financial statements are presented in US Dollars (USD). They comprise the financial statements of the Company for the year ended 31 December 2020 and presented to the nearest dollar.

The Company has determined that USD is its functional currency, as this is the currency of the economic environment in which the Company predominantly operates.

The principal activity of the Company during the year continued to be that of a designated member and to act as a service provider to Gemcorp Capital LLP.

The Company is a United Kingdom private limited company limited by shares. It is both incorporated and domiciled in England and Wales. The registered office address is 2nd Floor, 1 New Burlington Place, London, United Kingdom, W1S 2HR.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK 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.

The Company has taken advantage of the exemptions conferred by FRS 102 1A.7 not to present a Statement of Cash Flows.

The Company, as at the 31 December 2020, subject to the small companies regime and in accordance with Section 399 of the Companies Act 2006, is not required to produce consolidated accounts.

The following principal accounting policies have been applied:

##### **2.2 Going concern**

The accounts have been prepared on a going concern basis having regard to the future trading performance of the Company.

The accounts show a net current liability of \$17,907,993 (2019 - \$18,927,577) and net liabilities of \$85,955 (2019 - \$26,760) and have been prepared on a going concern basis due to the continued support from Gemcorp Capital LLP and the wider Gemcorp group for the oncoming 12 months.

The Company continues to monitor developments of the COVID-19 pandemic. After reviewing the risk profile of the Company, management does not believe that it will have a significant impact on the performance of the Company over the going concern period of 12 months.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and meet its liabilities as they fall due for a period of at least twelve months from the date that the financial statements were approved. Accordingly, they continue to adopt the going concern basis in preparing the Directors' report and financial statements.

## **Gemcorp Capital (Services) Limited**

### **Notes to the Financial Statements For the Year Ended 31 December 2020**

---

#### **2. Accounting policies (continued)**

##### **2.3 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The Company receives revenue from Gemcorp Capital LLP to cover all of its costs, and hence revenue is recognised on the same basis as it recognises those costs.

##### **2.4 Administration expenses**

All administration expenses of the Company are recognised on an accruals basis.

##### **2.5 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- over the term of the lease
Fixtures and fittings	- 4 years
Office equipment	- 4 years
Artwork	- not depreciated

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

##### **2.6 Investment in subsidiaries**

Investments in subsidiaries are measured at cost less accumulated impairment.

##### **2.7 Debtors**

Trade and other receivables are initially recognised at transaction price where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. These basic financial assets, other than short term receivables, are subsequently carried at amortised cost using the effective interest method.

Short term trade and other receivables with no stated interest rate which are receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in administrative expenses.

## **Gemcorp Capital (Services) Limited**

### **Notes to the Financial Statements For the Year Ended 31 December 2020**

---

#### **2. Accounting policies (continued)**

##### **2.8 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### **2.9 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

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.

Equity investments are recognised initially at fair value which is normally the transaction price (but excludes any transaction costs, where the investment is subsequently measured at fair value through profit or loss). Subsequently, they are measured at fair value through profit or loss except for those equity investments and whose fair value cannot otherwise be measured reliably which are recognised at cost less impairment until a reliable measure of fair value becomes available.

If a reliable measure of fair value is no longer available, the equity instrument's fair value on the last date the instrument was reliably measurable is treated as the cost of the instrument.

##### **2.10 Creditors**

Basic financial liabilities including trade and other payables and interest bearing loans and borrowing, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the liability is measured at the present value of the future payments discounted at a market rate of interest.

Basic financial liabilities, other than short term payables, are subsequently carried at amortised cost, using the effective interest rate method. The effective interest rate amortisation is included in interest payable and similar expenses in the income statement.

Short term trade and other payables with no stated interest rate which are payable within one year are recorded at transaction price.

##### **2.11 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

## **Gemcorp Capital (Services) Limited**

### **Notes to the Financial Statements For the Year Ended 31 December 2020**

---

#### **2. Accounting policies (continued)**

##### **2.12 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

##### **2.13 Pensions**

###### **Workplace pension scheme**

The Company operates a workplace pension scheme for its employees. A workplace pension scheme is a defined contribution scheme under which the Company pays a percentage contribution into the scheme.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

##### **2.14 Foreign currency translation**

###### **Functional and presentation currency**

The Company's functional and presentational currency is USD as this is the currency of the economic environment in which the Company predominantly operates.

###### **Transactions and balances**

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

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 and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

##### **2.15 Interest income**

Interest income is recognised in profit or loss using the effective interest method.



## Gemcorp Capital (Services) Limited

### Notes to the Financial Statements For the Year Ended 31 December 2020

#### 2. Accounting policies (continued)

##### 2.16 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 3. Loss before tax

The loss before tax is stated after charging:

	2020 \$	2019 \$
Fixed asset depreciation	1,037,285	1,034,970
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	17,900	17,900
Foreign exchange (gain)/loss	4,811	(137,296)
Operating lease rentals	1,784,664	1,735,073

#### 4. Employees

The average monthly number of employees, including directors, during the year was 39 (2019 - 43).

# Gemcorp Capital (Services) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 5. Taxation

	2020 \$	2019 \$
<b>Corporation tax</b>		
Adjustments in respect of previous periods	59,195	421
	<u>59,195</u>	<u>421</u>
<b>Total current tax</b>	<u>59,195</u>	<u>421</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	2,224
Adjustments in respect of previous periods	-	87,382
<b>Total deferred tax</b>	<u>-</u>	<u>89,606</u>
<b>Taxation on profit on ordinary activities</b>	<u>59,195</u>	<u>90,027</u>

### Factors affecting tax for the year

The tax assessed for the year is lower than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 \$	2019 \$
Profit on ordinary activities before tax	-	-
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	-	-
<b>Effects of:</b>		
Income not taxable for tax purposes	(216,882)	-
Expenses not deductible for tax purposes	3,060	-
Impact of timing differences	197,084	(13,158)
Adjustments to tax charge in respect of prior periods	59,196	87,803
Adjust closing deferred tax to average rate	(1,385)	1,385
Deferred tax not recognised	18,122	13,997
<b>Total tax charge for the year</b>	<u>59,195</u>	<u>90,027</u>

## Gemcorp Capital (Services) Limited

### Notes to the Financial Statements For the Year Ended 31 December 2020

#### 5. Taxation (continued)

##### Factors that may affect future tax charges

The UK Government announced on 3 March 2021 its intention to increase the UK rate of corporation tax to 25% from 19% from 1 April 2023. As this rate was not substantively enacted at the year end, deferred tax has been calculated based on the prevailing rate of 19%. The estimated impact of the new 25% rate on the deferred tax asset is immaterial.

#### 6. Fixed asset investments

	Investments in subsidiary companies \$
<b>Cost</b>	
At 1 January 2020	10,374,441
At 31 December 2020	<u>10,374,441</u>

The investment represents the Company's investment in:

- Gemcorp Capital LLP (the "LLP"), a partnership incorporated in England and Wales, in which the Company holds no voting rights, but 99% of the equity interest as at 31 December 2020. The Company does not control the LLP. No impairment has been recognised in the year. The principal activity of the LLP's business continues to be that of the provision of investment management services to Gemcorp (Cayman) Limited, a company incorporated in the Cayman Islands.
- Gemcorp Capital (SA) Pty Limited, a company incorporated in South Africa. The Company owns 100% of the share capital of Gemcorp Capital (SA) Pty Limited.

## Gemcorp Capital (Services) Limited

### Notes to the Financial Statements For the Year Ended 31 December 2020

#### 7. Tangible fixed assets

	Leasehold improvements \$	Fixtures and fittings \$	Office equipment \$	Artwork \$	Total \$
<b>Cost</b>					
At 1 January 2020	5,387,832	1,384,388	485,139	424,373	7,681,732
Additions	-	-	3,642	-	3,642
At 31 December 2020	5,387,832	1,384,388	488,781	424,373	7,685,374
<b>Depreciation</b>					
At 1 January 2020	987,824	606,577	246,475	-	1,840,876
Charge for the year on owned assets	538,783	343,986	154,515	-	1,037,284
At 31 December 2020	1,526,607	950,563	400,990	-	2,878,160
<b>Net book value</b>					
At 31 December 2020	3,861,225	433,825	87,791	424,373	4,807,214
At 31 December 2019	4,400,008	777,811	238,664	424,373	5,840,856

## Gemcorp Capital (Services) Limited

### Notes to the Financial Statements For the Year Ended 31 December 2020

#### 8. Debtors

	2020 \$	2019 \$
<b>Due after more than one year</b>		
Other debtors	2,640,383	2,562,199
	<u>2,640,383</u>	<u>2,562,199</u>
<b>Due within one year</b>		
Other debtors	263,390	464,276
Prepayments and accrued income	292,874	375,625
Amounts owed by group undertakings	632,381	866,067
	<u>1,188,645</u>	<u>1,705,968</u>

Amounts owed by group undertakings are unsecured, interest free and due on demand.

Included in other debtors are rent deposits of \$2,640,383 (2019 - \$2,554,277) due after more than one year and \$nil (2019 - \$nil) due within one year.

#### 9. Creditors: Amounts falling due within one year

	2020 \$	2019 \$
Trade creditors	65,510	13,826
Amounts owed to group undertakings	12,330,373	14,247,304
Other taxation and social security	162,487	206,679
Accruals and deferred income	6,791,751	6,157,320
Corporation tax	2,564	945
Other creditors	3,171,016	2,188,227
	<u>22,523,701</u>	<u>22,814,301</u>

Amounts owed to group undertakings are unsecured, interest free and payable on demand.

Other creditors arose as a result of group incentive schemes.

## Gemcorp Capital (Services) Limited

### Notes to the Financial Statements For the Year Ended 31 December 2020

#### 10. Creditors: Amounts falling due after more than one year

	2020	2019
	\$	\$
Other creditors	781,477	2,040,602

Other creditors arose as a result of group incentive schemes.

#### 11. Financial assets measured at fair value through profit or loss

	2020	2019
	\$	\$
<b>Financial assets within one year</b>		
Collective investment schemes	3,277,921	2,106,246

#### **Financial assets more than one year**

Collective investment schemes	781,477	2,163,923
-------------------------------	---------	-----------

#### **Fair value information**

All financial assets held by the Company at fair value through profit or loss have been categorised as Level 3 – Valuation techniques using significant unobservable inputs. These financial assets have been valued using net asset value with no discount factor.

The disclosure required by FRS 102 focus on the risks that arise from financial instruments and how they have been managed. These risks include credit risk, liquidity risk and market risk. These disclosures require sensitivity analysis to be performed by the Company identifying the financial impact on the Company of movements in interest rates, foreign exchange rates, equity prices and commodity prices. The Company is not significantly exposed to such moves in rates and prices as the financial assets identified above are hedged through a liability to employees that materially tracks the movement in the financial assets.

#### 12. Deferred taxation

	2020	2019
	\$	\$
At beginning of year	-	89,606
Charged to profit or loss	-	(89,606)
<b>At end of year</b>	<b>-</b>	<b>-</b>

## Gemcorp Capital (Services) Limited

### Notes to the Financial Statements For the Year Ended 31 December 2020

#### 13. Share capital

	2020	2019
	\$	\$
<b>Allotted, called up and fully paid</b>		
2 Ordinary shares of \$1.00 each	2	2
	<u>2</u>	<u>2</u>

#### 14. Reserves

##### Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

#### 15. Pension commitments

The Company operates a workplace defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge represents contributions payable by the Company to the fund and amounted to \$336,555 (2019: \$352,733). Contributions totalling \$22,081 (2019: \$33,514) were payable to the pension fund at the statement of financial position date.

#### 16. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	\$	\$
Not later than 1 year	2,200,321	2,014,697
Later than 1 year and not later than 5 years	1,036,863	3,137,213
	<u>3,237,184</u>	<u>5,151,910</u>

## Gemcorp Capital (Services) Limited

### Notes to the Financial Statements For the Year Ended 31 December 2020

#### 17. Related party transactions

	2020	2019
	\$	\$
<b>Gemcorp Commodities Trading SA</b>		
- same ultimate beneficial owner		
Balance at year end	44,546	64,995
Expenses paid by the Company	64,487	-
SA liability transferred with direction letter	(84,937)	-
<b>Gemcorp Holdings Limited</b>		
- same ultimate business owner		
Balance at year end	84,937	-
SA liability transferred with direction letter	84,937	-
<b>Gemcorp Capital LLP</b>		
- Company is corporate member		
Balance at year end	109,427	(1,806,553)
Recharged expenses	18,741,319	18,191,751
Amounts invested on behalf of LLP members	994,649	3,375,000
Expenses paid by the LLP	(137,619)	(895,853)
Expenses paid by the Company	114,181	300,454
Cash settlements	(17,796,549)	(20,783,121)
<b>Gemcorp Commodities Trading Holdings Limited</b>		
- an entity under common control		
Balance at year end	22,376	22,376
Expenses paid by the Company	-	1,632
<b>Gemcorp Commodities Trading Rus LLC</b>		
- same ultimate business owner		
Balance at year end	-	16,951
Expenses paid by the Company	-	16,951
Cash settlements	(16,951)	-
<b>Gemcorp Commodities Global DMCC</b>		
- same ultimate business owner		
Balance at year end	12,273	1,638
Expenses paid by the Company	12,273	1,638
Cash settlements	(1,638)	-

The Company has utilised the exemption available under FRS102 33.1A not to disclose transactions with subsidiaries that are wholly owned.

#### 18. Post balance sheet events

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.



## **Gemcorp Capital (Services) Limited**

### **Notes to the Financial Statements For the Year Ended 31 December 2020**

---

#### **19. Controlling party**

The immediate parent undertaking of the Company is Gemcorp (Cayman) Limited, a company incorporated in the Cayman Islands. The ultimate controlling party is Gemcorp (Cayman) Parent Co Limited, a company incorporated in the Cayman Islands

The Company has taken advantage of the exemption in section 383 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. Consequently, these financial statements present the financial position and financial performance of the Company as a single entity.