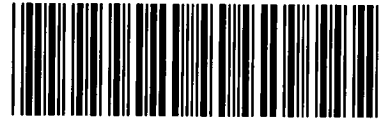


CONCORD

Annual Report 2021

Concord Resources Limited

FRIDAY



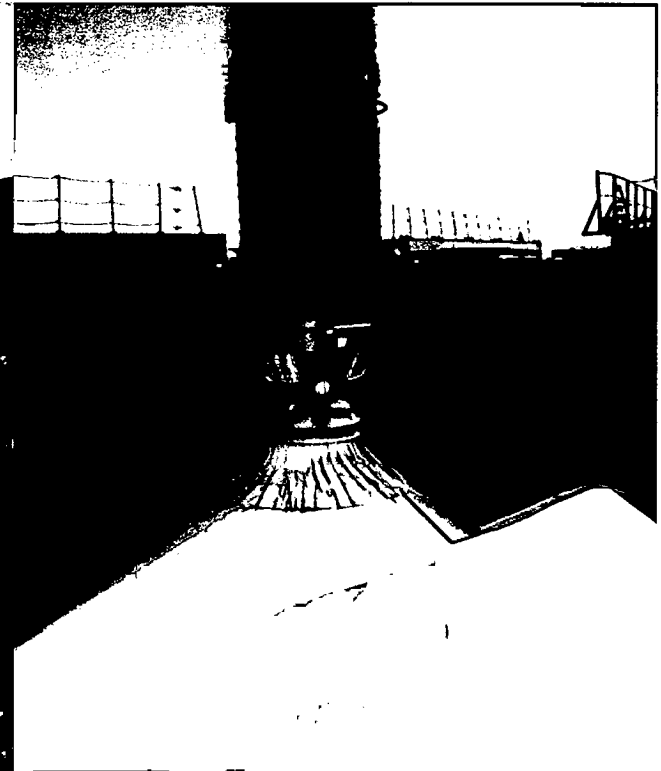
AB4WINYX

A14

27/05/2022

#12

COMPANIES HOUSE



Contents

Strategic report	1
Directors' report	6
Statement of directors' responsibilities in respect of the annual report and the financial statements	10
Independent auditor's report to the members of Concord Resources Limited	11
Consolidated and Parent Company Statement of Profit and Loss and Other Comprehensive Income	15
Consolidated and Parent Company Balance Sheet	16
Consolidated Statement of Changes in Equity for the Group	18
Consolidated Statement of Changes in Equity for the Company	20
Consolidated and Parent Company Cash Flow Statement	22
Notes	23

Strategic report

The Strategic Report, Directors' Report and financial statements are presented for the year ended 31 December 2021 (prior period comparatives for the year ended 31 December 2020).

Business Review

Concord Resources Limited ("Concord") is a global resources merchant, trader and investor focused primarily on the trading and risk management of non-ferrous metals and associated raw materials markets. Concord offers its services to global producers and consumers of commodities along the supply chains to provide committed purchasing and sales, risk management and financing. Concord is active across the metal markets from refined metal products, alloys to raw materials and concentrates. This activity covers global markets including, but not limited to, copper, aluminium, zinc, lead, nickel, precious metals, as well as some speciality metals and ores. Concord is also active across the carbon markets supporting partners with the tools and services necessary to reach their specific emission goals. Concord employs skilled and experienced marketers, traders and operations teams to maintain relationships with our partners, suppliers and customers globally, while covering global markets and diligently managing global physical operations. Concord adds value by using commodity contracts, inventories, balance sheet, market knowledge and contacts to provide a reliable service to miners, smelters, financiers, and industrial companies seeking an intermediary for the sale and purchase of commodity products.

Concord provides services such as physical commodity product marketing, committed asset production off-take, commodity supply, inventory management, logistics organisation and project development and financing across the metals producing and consuming industries. Concord is active with customers in prompt market arrangements out to multi-year structured contracts. The global metals markets are businesses sensitive to the global business activity in numerous industries, including automotive, aerospace, consumer products, steel, construction and infrastructure. Concord serves its customers from its headquarters in London, and principal marketing offices in New York, Connecticut and Hong Kong, while also maintaining a network of representatives and agents in South America, Europe, Asia and Australia. Concord also makes investments in companies, assets and metal markets utilising its primary research to express market views on evolving industry dynamics. Concord moves substantial volumes of commodity products every month using ocean vessels, barges, railroads and trucks to customers around the world. Concord is an active participant in investing in, and trading on the global metal markets.

Concord has equity investments in Sienna Metals (a cobalt investment company) and Nevada Copper, a growing producer of copper in the United States, and early-stage investments in technology companies aligned with the industry in which we operate.

Concord aims to achieve consistent above average industry profitability and corresponding annual growth in book value per share for our investors by being a different entrepreneurial risk-taking group. Concord believes it has an independent, entrepreneurial, team culture that is responsive to customer marketing needs and trading opportunities in the global commodities markets while also operating within an organised, professional and disciplined risk management structure.

Concord successfully concluded its sixth year of operation with business transactions in 39 countries and delivered over 3.0 million tons to over 250 unique customers.

Performance

Concord's revenues increased by 25% in 2021 and increased overall net profits for 2021 compared to the prior year. The Group had revenues of US\$5.35 billion (bn) and a gross profit of US\$92.5 million (m) from business activities in the year to 31 December 2021 (2020: US\$4.28bn and US\$68.4m respectively). This represents a gross profit margin of 1.7%. Profit before tax, management incentive compensation and a required non-cash accounting interest expense on redeemable shares was US\$50.1m, an increase of 75% (2020: US\$28.6m), with reported adjusted profit before tax of US\$33.7m (2020: US\$18.7m). The reported profit before tax for the year was US\$21.0m (2020: US\$15.6m). These results represent a 22.3% (2020: 11.8%) return on average paid-in shareholder capital over the course of the period before tax and adjusting for earned management incentive compensation and a non-cash interest expense on redeemable equity shares, as reported in our financial statements as required by International Financial Reporting Standards (IFRS) for those securities. The balance sheet ended 2021 with US\$1,909m (2020: US\$1,660m) of assets supported by US\$1,221m (2020: US\$1,060m) of normal course of business commodity and trade financing from various international financial institutions.

Strategic report *(continued)*

Performance *(continued)*

During 2021 the global metals markets benefitted from continued improvements in the global economy. As the world moved through the Coronavirus pandemic continued government stimulus, historically low interest rates, and pent-up demand all played a part in driving a robust recovery in commodity demand. Meeting this demand was at times challenging for commodity markets that have been underinvested for many years and not prepared for a sharp acceleration in demand. Inventories for many critical metal products that Concord deals with declined steadily throughout the year as producers struggled to meet market demand in excess of expectations. These positive market dynamics were best reflected in metal premiums for prompt delivery of major metals such as aluminium, which reached record highs in 2021. Concord performed well in steadily managing risk to meet its commitments, optimise its exposures and work to a strong result for the year. Towards the end of 2021 it became clearer that the often steady and pleasant economic sentiment that grew over the year was giving way to inflationary pressures and geopolitical situations that were not pleasant. Cost pressures on logistics, renewed concerns on Coronavirus variants, and a rapidly worsening energy security situation in Europe ended 2021 on a note of clearly rising risk. Concord's historic focus on Western World sourcing and marketing leaves the company in a strong position to meet the challenges that global commodity markets will encounter in a global reordering of trade flows due to political, inflationary and economic changes. The evident inflationary pressures building in 2021 present opportunities, because of higher commodity prices and volatility, but also risks, in the form of interest rate increases, cost increases and bottlenecks for Concord operations. The company successfully navigated these without undue risk in 2021 achieving a strong return on equity and continuing its record of generating annual profits.

Sustainability

In 2021, our focus was to create an achievable and meaningful roadmap for a proactive Environmental, Social and Governance ("ESG") whilst building on our previous year's commitments. Concord recognised that it would increasingly be held accountable for various ESG regulatory initiatives, carbon footprint tracking, emissions, and new mandatory reporting. Our efforts this year were to build upon our existing framework whilst maintaining our forward-looking strategy in ESG. Concord is well positioned to serve our customers and plays an active role in transitioning to the green economy by trading products that are supported by the demand for renewable projects, and government proposals.

In June 2021, Concord published its first 'Sustainability Statement' which articulated its commitment to ESG matters and demonstrates its adherence to certain ESG standards and principles that it values and wants to promote through its culture and actions. Concord adheres to all mandatory reporting requirements but also seeks to adopt any non-mandatory reporting where relevant and feasible. This Sustainability Statement keeps our stakeholders informed on our annual progress and provides accountability to our ESG promises. It is anticipated that it will be updated each year, continuously striving for 'greener' results year on year.

In August 2021, Concord engaged Ecovadis to provide a Corporate Social Responsibility (CSR) rating. Concord was proud to be awarded the silver rating in its first submission and aims to maintain and improve this standard in 2022.

In November 2021, Concord engaged an external consulting firm to undertake a materiality risk assessment of Concord's business strategy and portfolio to provide a roadmap for ESG reporting. This included reviewing the areas of the business where risks and opportunities may arise driven by the changing ESG landscape and conducting a series of one-to-one interviews with key employees in all areas of the company (Treasury, Operations, Trading, Finance, Legal Risk, Compliance and Business Development). It also involved the facilitation of a workshop with senior management to set out the ambitions and the appetite for ESG implementation to be successful in the year ahead. This was both a top down and bottom-up exercise to ensure all our targets were realistic and achievable. The roadmap will be completed early 2022 and will map out the ambitions and timelines for our 2022 ESG reporting targets and beyond. Concord also established an ESG Working Group this year to facilitate internal communication on various ESG topics and to ensure all the ESG initiatives being undertaken are accounted for. The ESG Working Group is ultimately responsible for monitoring and delivering the initiatives set out in the roadmap.

In the final months of 2021, Concord initiated the establishment of a carbon trading desk. Regulated and voluntary carbon offset markets will have an important role to play in the progression towards a carbon neutral world for industries with emissions that cannot be eliminated or reduced through investment and operational optimisation. Carbon offset markets provide the means for a price discovery to drive the reduction of greenhouse gas emissions in existing supply chains. Concord is well-placed to participate in such a market, already acting as an energy transition

Strategic report (continued)

Sustainability (continued)

facilitator in its trading business. Carbon trading has the potential to enhance Concord's strategic position in the sector.

This year, our work with Carbon Chain advanced very positively and huge progress was made in data handling and speed. This progress means that we are now able to measure our Scope 3 supply chain emissions efficiently. The results for 2021 trading demonstrate that the extraction and refining of traded commodities represented the overwhelming majority of Concord's Scope 3 supply chain emissions, accounting for 96.01%. Transport of traded goods contributed 3.99%. The bulk of Concord's Scope 3 supply chain emissions came from the production of primary aluminium, with an average intensity of 11.21 tonnes CO₂e/tonne aluminium traded. This relates both to Concord's focus upon aluminium trading - it was the most frequently traded commodity in 2021 - and the high average emissions intensity of aluminium production, which is dominated by the smelting element of the process. This represents a good opportunity for abatement, as the lowest carbon aluminium traded in 2021 had a footprint of 3.54 tonnes CO₂e/tonne (Grundartangi, Iceland), whilst the highest was 18.69 tonnes CO₂e/tonne (Hillside, South Africa). Alumina refining produces relatively low emissions (0.74 tonnes CO₂e/tonne alumina on average in 2021), but Concord traded a large volume (1,672,795 tonnes). To put this into a meaningful context, in 2021, Concord's total emissions was 13.3M tCO₂e, for 3.3M tonnes of metal, represented by 4246 trades with an average carbon intensity of 4.03 tCO₂e/t. We continue to work closely with Carbon Chain and review the data that we can extract, but these results represent a milestone in both Supply Chain Emission Scope 3 reporting and ESG reporting.

In 2021, Concord moved its Money Market investment fund to an ESG enhanced fund. The ESG enhancements are considered alongside the core investment objectives of capital preservation and daily liquidity and the aim is to make better investment decisions whilst encouraging positive change in investment behaviour. One area of focus of this fund is diversity and inclusion metrics, for example under representation of women at board levels. We continue to evaluate our options to ensure any investment made by Concord aligns with the company's overall ESG strategy.

During 2021, Concord demonstrated that it continued to work closely with our stakeholders, financial institutions, and third parties to ensure we meet their ESG standards and continue to explore initiatives that can take the company beyond the expectations in our industry.

Principal Risks and Uncertainties

As a global commodity merchant trader, Concord is exposed to various risks relating to commodity price fluctuations, as well as macro, credit and political risks. Concord operates in an intensely competitive industry where risk management is a daily component of successful day-to-day business. Some elements of Concord's business require constant real-time management inputs, analysis and assessments. Concord considers that it has an experienced senior management team that has invested in research and created a global network of customers, suppliers and relationships that form the basis for thoughtful decision making within the risk framework of the group.

The risk management framework has been designed to support the opportunistic nature of the business which requires responsive flexibility and appropriate risk appetite, whilst ensuring protective financial and capital risk management.

Concord believes that a global portfolio of refined metals and raw material products traded across different geographies, customer industries and liquidity profiles, as well as derivative hedges and trades, provides adequate business risk diversification and the opportunity to somewhat mitigate risks encountered by our business activities.

Key areas of risk covered by governance and management processes include the following:

Commodity Price Risk

Concord manages price risk in relation to inventory and forward priced sales and purchase contracts primarily through product listed commodity exchanges and, to a limited extent, "over the counter" (OTC) transactions. Basis risk management (metal location premiums and concentrates treatment and refining charges) is a key focus for Concord management as the hedging instruments available do not always perfectly mitigate the underlying price risk of the commodity. Basis risk loss is subject to an absolute limit for each metal complex and in aggregate across all metals. Concord is active in arbitraging listed metals exchange contracts and physical location premiums. Concord management strictly controls the transactional limits and market risk execution of such activities.

Price risk on long dated contracts is continuously monitored by Concord management and is mitigated by offsetting physical contracts, futures and, where appropriate, futures for similar products where price correlation is high.

Strategic report (continued)

Currency Risk

Concord's functional currency is United States Dollars (USD) and transactions denominated in currencies other than USD may be actively hedged using foreign exchange (FX) forward and swap contracts to mitigate the risk of loss from movement in exchange rates. Debt financing transactions are predominately denominated in USD and EUR and the exit market for the key commodities Concord trades in is USD.

Value at Risk (VaR)

The average daily VaR (95% confidence interval) of the business is monitored by an independent third-party risk analysis provider for the group.

Credit Risk

Credit risk is managed and reviewed on an ongoing basis for both trading counterparties and institutional counterparties using an internal proprietary credit scoring process which utilises public information, and where applicable, information provided by the credit counterparty. Financial assets which expose Concord to credit risk include cash and cash equivalents, receivables, prepayments, short-term loan receivables and derivative instruments. Cash and cash equivalents are placed on overnight deposit as well as invested in money market funds with a group of highly credit rated financial institutions. Receivables and prepayment credit risk is mitigated through a conservative risk management policy that limits exposure to lower rated counterparties.

Concord's policy is to reduce credit exposure through confirmed letters of credit, document collection, collateral and insurance agreements, where applicable.

Interest Rate Risk

The risks associated with market interest rate movements are currently related to secured and unsecured financing facilities. These floating rate debt facilities include either a margin linked to LIBOR, EURIBOR or SOFR plus a fixed premium or a floating internal charge for the financial institution plus a fixed premium. Interest rate risk is predominately hedged through matching, as much as possible, the floating element of financing charges to customers against the financing liability.

Liquidity Risk

A conservative liquidity risk management policy ensures that Concord has adequate cash and cash equivalents to meet payments when due and can finance ongoing and potential commitments through secured and unsecured debt funding as required. The current minimum liquidity level is set at a defined percentage of group equity and is monitored daily. Concord actively reviews its capital position to ensure future investments and trade flows can be supported with enough headroom, in particular in the event of commodity price fluctuations.

Contract Performance Risk

Concord manages contract performance risk through a credit risk management process. Potential future exposures to credit risk through physical sale (receivables) and purchase contracts (payments) are modelled to ensure credit limits are not breached and current fair value exposures are included in the review of credit limits by counterparty.

Operational risk

Operational risk management includes political and geographic risk management, insurance management, and the assessment of third-party service providers, including ocean carriers, warehouse operators, logistics providers and suppliers, by designated executives of the group. Concord conducts regular reviews of its service providers and actively avoids doing business with companies or service providers that are believed not to meet certain standards.

Other key risk areas covered by governance and management processes include legal, compliance, regulatory, anti-bribery and corruption. Concord is a proud signatory to the UN Global Compact and is committed to acting ethically and with integrity in its business dealings and relationships throughout the world and to implementing controls to safeguard against conduct that is contrary to the tenets of the UN Global Compact, whether taking place within the business or in any of our supply chains. Concord's Code of Conduct (which is displayed on Concord's website) sets out some of the key standards and principles by which Concord conducts itself and expects its counterparties to conduct themselves. It is considered a robust standard by many Concord counterparties, and it is key to our culture that we hold ourselves to a high standard and we expect our counterparties to meet those standards as well.

In addition to its Code of Conduct, Concord has a detailed and robust set of governance and compliance policies and procedures which set out the enduring ethics and principles which all Concord directors, staff, agents and consultants

Strategic report *(continued)*

Operational risk *(continued)*

are required to observe. Concord's business touches many stakeholders - our success and reputation are founded on the trust and confidence that our actions generate in those we have dealings with. Earning and maintaining that trust is not taken lightly and working responsibly and engaging openly is fundamental to our future success.

Concord is operating in a world of over-lapping legal, regulatory and compliance regimes. We continue to monitor and address these challenges by assessing and updating our policies and procedures and with bespoke staff training. We are aware that the world is in a transitional phase, both as it adjusts to a "new normal" following the Covid-19 pandemic but also as it looks to achieve a more sustainable energy mix with a greater emphasis and importance attributed to ESG efforts and standards. We believe that Concord is well placed to play its part in efficiently and responsibly supplying the vital commodities that will be required for this transition. Environmental, social and corporate governance considerations are high on the agenda for our stakeholders and, as has been elaborated on in more detail in previous sections, Concord is actively focused on assessing how we can deliver on these matters.

By order of the board



Mark Hansen
CEO & Executive Director

16 May 2022

Directors' report

Directors' liabilities and indemnities

Directors and officers of Concord Resources Limited and its subsidiaries are covered by directors & officer's liability insurance.

Proposed dividend

No dividends have been proposed for the year ended 31 December 2021.

Directors

The directors who held office during the year were as follows:

Mark Hansen
Andrew William Reid
Andreas Peter Joseph Schmitz

Going Concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate. The continuing macroeconomic uncertainty and instability in relation to the commodities market has been considered from a going concern perspective including the potential associated counterparty risk on the financial position of the business.

The directors have assessed that they have, at the time of approving the financial statements, a reasonable expectation that Concord has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements. At 31 December 2021, Concord had net current assets of US\$306.8m (2020: US\$294.7m) and net cash and cash equivalents of US\$52.7m (2020: US\$62.6m). For the year ended 31 December 2021 operating cash outflows of US\$170.9m (2020: outflows US\$108.4m) were offset by inflows from trade finance facilities of US\$163.3m (2020: inflows of US\$118.2m) to give a net outflow of US\$30.8m for the year (2020: net inflow of US\$9.8m). At the date of the approval of the accounts Concord has US\$2.1bn of available, secured financing facilities of which US\$1.4bn are being utilised.

In this assessment, the directors have considered Concord's financial and operational position and in particular committed sales volumes, credit risk of key counterparties, liquidity, and covenants, as well as the funds and available financing facilities as at the date of signing of the financial statements and for the next 12 months. In the assessment of credit and contract performance risk, the directors have considered the credit risk management policy as described in the Strategic Report on page 1 and Concord's policy to reduce credit exposure through confirmed letters of credit, document collection, collateral and insurance agreements, will continue throughout the assessment period.

As the facilities (both committed and uncommitted) are renewed on an annual basis, there is a potential risk that these could be partially or fully withdrawn (or not renewed) by one or more of the 18 lenders during the going concern assessment period. The Board does not consider this to be a reasonable and plausible downside, not least because it continues to operate well within any of the associated covenants and has mitigated this risk through the portfolio of lenders it transacts with and the active dialogue the Board maintains with its financing partners. However, given that the actions of each of the lenders are outside the direct control of the Board, sufficient liquidity is retained in the business to close out commodity positions in an orderly manner to enable the company to remain cash flow positive should this remote event occur.

As part of this assessment, the directors have considered reasonable possible downsides, including the potential impact from further economic disruptions expected due to the continuing macroeconomic uncertainty and instability in global markets. Concord's core merchant business has remained largely uninterrupted due to the ongoing macroeconomic challenges, whilst new business opportunities have been slightly impacted, existing and repeat business has continued. Concord's diversified and opportunistic business model which requires responsive flexibility and appropriate risk appetite is designed to be able to position and size itself accordingly and quickly to meet changing refined metal and associated raw material market conditions.

Directors' report *(continued)*

Going Concern *(continued)*

Therefore, the directors are confident that Concord will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

Section 172 Statement

Under the section 172 of the Companies Act 2006, directors' duties are to promote the success of the company. The company directors are aware that this duty extends to all the stakeholders of the company and how the consequences of any decisions they make could impact the members of the company in the long term.

In this statement, we will explore the key areas identified under section 172 of the Companies Act 2006 and how the concord directors have endeavoured to ensure success is shared amongst our shareholders, our employees, our stakeholders and actively considers the impact of the company's operations on the community and environment.

1. Our Shareholders

Concord's management frequently engage with the shareholders of the company's parent entity Concord Resources Holdings Limited ("CRHL"). Each month, the shareholders are sent the CRHL's shareholder report, disclosing the monthly results, a detailed commentary from the CEO of business advances and any meaningful developments in the industry which can impact the company. In this monthly email, the shareholders are invited to raise any questions or concerns they may have with the Management team. Every quarter, certain shareholders are sent the quarterly financial results and every year all shareholders receive the audited annual report. Concord holds quarterly board meetings in which the board members are reminded of their duties under Section 172. It is also important to note that the majority of board members of CRHL are themselves shareholders with greater than 70% of shareholder representation on the board of directors.

Annual General Meeting

The AGM is part of effective communication with shareholders of CRHL for corporate matters. All shareholders have the opportunity to ask questions at the AGM, held on 31 March 2022. Our Board welcomes the opportunity for communication and all shareholders to participate and ask questions during the meeting.

2. Our Employees

Employee welfare is central to the directors' day to day management and decision making. Concord recognises that its team members play a critical role in executing our strategy and delivering value to stakeholders. To promote a safe working environment, all employees are encouraged to communicate any concerns or issues they have to their line managers on a regular basis and through the annual review process. This will also include a salary review and incentive compensation rewarded to ensure employees participate in the company's performance. Each week, all of the employees of the company are invited to dial into a 'Business Update' call. This allows all the regions and business lines to share updates and developments on a weekly basis and to raise any questions or concerns. The company engaged with a corporate training company in 2019 and 2020 which aimed to reinforce the Concord culture, teamwork and value of communication throughout the Group. As a testament to Concord's approach to employee welfare, low levels of staff turnover have been maintained since the inception of the company.

3. Our Stakeholders

Concord has preserved strong relationships with its stakeholders and built a reputation of trust amongst its banking partners, customers and suppliers. Each year, a significant percentage of repeat business is awarded to the marketing team as a testament to the leading business relationships it has created. Where required, Concord aims to offer its customers financial support with reasonable payment terms. With regards to its suppliers, Concord closely monitors its payment practices with bi-yearly reviews and always aims to pay its suppliers in a timely way in the regular course of business.

Directors' report (continued)

Section 172 Statement (continued)

3. Our Stakeholders (continued)

Each year, banking partners are invited to a yearly meeting, held in London. This consists of a management presentation, led by the CEO, COO and CFO discussing the annual financial results and the forward-looking strategic business plans of the company. The annual meeting creates a good opportunity for the bankers to meet and speak directly with the Management teams and day to day operational teams, reinforcing their relationships and opening a dialogue on shared business opportunities.

Maintaining constructive relationships and dialogue with governments and regulators is an important part of Concord's business approach. Concord's Code of Conduct is built on company values and provides a framework for what Concord considers reliable conduct. Management proactively and responsibly engages with all tax authorities in the jurisdictions in which we operate, and our tax policy can be accessed on our company website.

4. Sustainability

In 2021, sustainability including corporate social responsibility and the environment formed a key part of the strategic business agenda. For further information on ESG initiatives and developments, please refer to the strategic report section.

SECR Carbon Reporting

It is now a requirement of large organisations to include energy and carbon data in their Annual Reports, under the SECR Regulations. We have reviewed the relevant activities, relating to buildings and business travel, and made the calculations, as shown below.

Our SECR carbon emissions for our calendar year 2021 amounted to **9 tCO₂e**, all from electricity. Absolute emissions have risen by 12% since last year and relative emissions (compared to turnover) are down by 9%.

SECR Energy & Carbon Emissions (kWh & tCO₂e)

	Unit	2021	2020	% change
Energy consumption	kWh	42,280	37,700	
Scope 1 - Direct Emissions	tCO ₂ e	-	-	
Scope 2 - Energy Indirect Emissions	tCO ₂ e	9.0	8.0	
Scope 3 - Other Indirect Emissions	tCO ₂ e	-	-	
Total SECR Emissions	tCO ₂ e	9.0	8.0	12%
Relative SECR Emissions, normalised by turnover	tCO ₂ e/\$billion	1.7	1.9	-9%

We have recently commissioned an energy audit to identify efficiency opportunities, concentrating on heating, lighting and equipment use in the office. This, along with means to manage business travel, will address our operational carbon footprint. We also strive to understand the environmental impact of their wider activities in materials trading. A recent project has started to quantify the 'cradle to gate' impacts of extraction, processing and transport of the metals. This is supported by our ESG policies.

We have reported on all of the emission sources required by Streamlined Energy and Carbon Reporting (SECR), under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. These sources fall within our consolidated financial statement.

We have followed the methodology of ISO 14064-1 (Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals) and emission factors from UK Government GHG Conversion Factors for Company Reporting 2021. In order to track progress, historic data was recalculated using current emissions factors (hence carbon figures for last year differ slightly from those reported in our previous Annual Report).

Directors' report *(continued)*

Section 172 Statement *(continued)*

4. Sustainability *(continued)*

For SECR reporting, Scope 1 (Direct) emissions are those arising from natural gas heating and company vehicles. Scope 2 (Energy Indirect) emissions are from electricity. Scope 3 (Other Indirect) emissions come from grey fleet and hire vehicles.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the group's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the group's auditor is aware of that information.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 1.

By order of the board



Mark Hansen
CEO & Executive Director

16 May 2022

Statement of directors' responsibilities in respect of the annual report and the financial statements

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 group and parent company financial statements for each financial year. Under that law they have elected to prepare both the group and the parent company financial statements in accordance with UK-adopted international accounting standards and applicable law.

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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Independent auditors report to the Members of Concord Resources Limited

We have audited the financial statements of Concord Resources Limited (“the company”) for the year ended 31 December 2021 which comprise the Consolidated and Parent Company Statement of Profit and Loss and Other Comprehensive Income, Consolidated and Parent Company Balance, Consolidated Statement of Changes in Equity for the Group, Consolidated Statement of Changes in Equity for the Company, Consolidated and Parent Company Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the group’s and of the parent company’s affairs as at 31 December 2021 and of the group’s profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of, the Companies Act 2006; and
- the financial statements 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company’s financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements (“the going concern period”).

In our evaluation of the directors’ conclusions, we considered the inherent risks to the Group’s business model and analysed how those risks might affect the Group and Company’s financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors’ assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company’s ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor’s report is not a guarantee that the group or the company will continue in operation.

Fraud and breaches of laws and regulations

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

Independent auditors report to the Members of Concord Resources Limited *(continued)*

- Enquiring of directors and Group’s legal advisor, and inspection of policy documentation as to the Group’s high level policies and procedures to prevent and detect fraud and the Group’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes
- Considering remuneration incentive schemes and performance targets for management and directors the annual performance bonus for management, which is dependent on a number of key metrics, some of which are non-GAAP measures such as adjusted earnings before tax, depreciation and amortisation (EBTDA).
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates such as in the valuation of derivatives arising from long term contracts. On this audit we do not believe there is a fraud risk related to revenue recognition because management recognise derivatives on entering forward contracts for the sale of physical commodities and so the timing of revenue recognition will not materially impact the result for the period.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included unusual cash and revenue postings.
- Reviewing the valuation of derivatives arising on long term contracts which included involving valuation specialists to review managements valuation methodology, agreeing inputs to supporting documentation and reperforming management’s calculations.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from obtaining legal letters from the Group’s external legal counsels and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of noncompliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: regulations relating

Independent auditors report to the Members of Concord Resources Limited *(continued)*

to increase in the transparency across the European Union's financial markets and standardizing the regulatory disclosures required for particular markets imposed by MiFID and MiFID II, anti-bribery, employment law, and certain aspects of company legislation recognising the nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 10, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent 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 they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Independent auditors report to the Members of Concord Resources Limited
(continued)

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Adrian Wilcox (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square,
Canary Wharf,
London,
E14 5GL

16 May 2022

**Consolidated and Parent Company Statement of Profit and Loss and Other
 Comprehensive Income**
for the year ended 31 December 2021

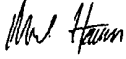
	Note	Group		Company	
		2021 \$000	2020 \$000	2021 \$000	2020 \$000
Revenue	2	5,349,241	4,282,449	5,349,237	4,281,019
Cost of sales		(5,256,739)	(4,214,055)	(5,256,951)	(4,213,409)
Gross profit		92,502	68,395	92,286	67,609
Other income	3	3,461	1,531	3,461	1,531
<hr/>					
Selling, general & administrative expenses		(17,473)	(14,024)	(17,262)	(13,993)
Earned incentive compensation - current		(16,415)	(7,148)	(16,415)	(7,148)
Earned incentive compensation – adjustment in respect of prior year		-	(3,041)	-	(3,041)
<hr/>					
Total selling, general & administrative expenses	4, 5	(33,888)	(24,212)	(33,677)	(24,181)
Operating profit		62,075	45,713	62,070	44,959
Interest income	7	4,314	3,455	4,301	3,451
<hr/>					
Interest expense		(29,645)	(26,838)	(29,645)	(26,838)
Non-cash interest expense on redeemable shares		(12,679)	(2,388)	(12,679)	(2,388)
<hr/>					
Total interest expense	7	(42,324)	(29,225)	(42,324)	(29,225)
Net financing expense		(38,010)	(25,771)	(38,023)	(25,774)
Share of (loss) of equity-accounted investees	14	(3,063)	(3,684)	(3,063)	(3,684)
<hr/>					
Profit before tax, earned incentive compensation and non-cash interest expense on redeemable shares		50,095	28,835	50,078	28,077
Earned incentive compensation - current		(16,415)	(7,148)	(16,415)	(7,148)
Earned incentive compensation – adjustment in respect of prior year		-	(3,041)	-	(3,041)
Non-cash interest expense on redeemable shares		(12,679)	(2,388)	(12,679)	(2,388)
<hr/>					
Profit before tax		21,001	16,259	20,984	15,501
Tax	8	(9,690)	(3,488)	(9,686)	(3,299)
<hr/>					
Profit for the year		11,311	12,770	11,298	12,202
<hr/>					
Share of other comprehensive income / (loss) from associates	14	403	(503)	403	(503)
Exchange gain on translation of foreign operations		58	134	-	-
<hr/>					
Total comprehensive income for the year		11,772	12,401	11,701	11,699

Consolidated and Parent Company Balance Sheet
at 31 December 2021

	Note	Group		Company	
		2021 \$000	2020 \$000	2021 \$000	2020 \$000
Non-current assets					
Property, plant and equipment	9	69	75	69	75
Right-of-use assets	10	2,097	2,224	2,097	2,224
Intangible assets	11	339	337	339	337
Investment in subsidiaries	13	-	-	1,501	1,501
Investments in associates	14	4	18,427	-	18,427
Other investments	15	7,135	9,213	7,135	9,213
Lease receivables	10	258	-	258	-
Other financial assets – non-current	16	98,254	59,222	98,254	59,222
		108,156	89,499	109,653	91,000
Current assets					
Inventories	12	854,773	749,248	854,773	749,248
Other financial assets - current	16	248,044	221,355	248,028	221,355
Trade and other receivables	17	644,807	534,359	644,386	532,812
Lease receivables	10	298	-	298	-
Cash and cash equivalents	18	52,746	62,552	50,812	61,714
		1,800,668	1,567,513	1,798,296	1,565,128
Total assets		1,908,824	1,657,012	1,907,948	1,656,127
Current liabilities					
Borrowings	19	1,226,698	1,063,341	1,226,698	1,063,341
Lease liabilities	10	900	341	900	341
Trade and other payables	20	148,843	143,813	148,727	143,807
Tax payable		6,652	4,879	6,652	4,703
Other financial liabilities - current	21	110,765	60,406	110,765	60,392
		1,493,858	1,272,780	1,493,743	1,272,584
Non-current liabilities					
Borrowings	19	137,386	124,707	137,386	124,707
Deferred tax liabilities	21	840	545	840	545
Lease liabilities	10	1,944	1,982	1,944	1,982
Other financial liabilities – non-current	21	5,420	3,535	5,420	3,535
		145,591	130,769	145,590	130,769
Total liabilities		1,639,448	1,403,549	1,639,332	1,403,353
Net assets		269,375	253,463	268,616	252,775
Share capital	23	74,139	74,139	74,139	74,139
Share premium	23	73,670	73,670	73,670	73,670
Other reserves	23	9,602	5,788	9,424	5,667
Share-based payment reserves	23	-	(384)	-	(384)
Retained earnings		111,964	100,250	111,383	99,682
Total equity		269,375	253,463	268,616	252,775

Consolidated and Parent Company Balance Sheet (continued)
at 31 December 2021

These financial statements were approved by the board of directors on 16 May 2022 and were signed on its behalf by:



Mark Hansen, *CEO & Executive Director*

Consolidated Statement of Changes in Equity for the Group

	Share capital \$000	Share premium \$000	Share-based payments reserve \$000	Capital contributions \$000	Capital redemption reserve \$000	Retained earnings \$000	Currency translation reserve \$000	Total equity \$000
Balance at 1 January 2021	74,139	73,670	(384)	2,389	3,279	100,250	120	253,463
Total comprehensive income for the year								
Profit or loss	-	-	-	-	-	11,311	-	11,311
Other comprehensive income	-	-	-	-	-	403	58	461
Total comprehensive income for the year	-	-	-	-	-	11,714	58	11,772
Transactions with owners, recorded directly in equity								
Equity-settled share-based payment transactions	-	-	384	3,756	-	-	-	4,140
Total contributions by and distributions to owners	-	-	384	3,756	-	-	-	4,140
Balance at 31 December 2021	74,139	73,670	-	6,145	3,279	111,964	178	269,375

Consolidated Statement of Changes in Equity for the Group (continued)

	Share capital \$000	Share premium \$000	Share-based payments reserve \$000	Capital contributions \$000	Capital redemption reserve \$000	Retained earnings \$000	Currency translation reserve \$000	Total equity \$000
Balance at 1 January 2020	74,139	73,670	(3,833)	626	3,279	87,983	(14)	235,850
Total comprehensive income for the year								
Profit or loss	-	-	-	-	-	12,770	-	12,770
Other comprehensive income	-	-	-	-	-	(503)	134	(369)
Total comprehensive income for the year	-	-	-	-	-	12,267	134	12,401
Transactions with owners, recorded directly in equity								
Equity-settled share-based payment transactions	-	-	3,449	1,763	-	-	-	5,212
Total contributions by and distributions to owners	-	-	3,449	1,763	-	-	-	5,212
Balance at 31 December 2020	74,139	73,670	(384)	2,389	3,279	100,250	120	253,463

Statement of Changes in Equity for the Company

	Share capital \$000	Share premium \$000	Share-based payments reserve \$000	Capital contributions \$000	Capital redemption reserve \$000	Retained earnings \$000	Total equity \$000
Balance at 1 January 2021	74,139	73,670	(384)	2,389	3,279	99,682	252,775
Total comprehensive income for the period							
Profit or loss	-	-	-	-	-	11,298	11,298
Other comprehensive income	-	-	-	-	-	403	403
	-----	-----	-----	-----	-----	-----	-----
Total comprehensive income for the period	-	-	-	-	-	11,701	11,701
	-----	-----	-----	-----	-----	-----	-----
Transactions with owners, recorded directly in equity							
Equity-settled share-based payment transactions	-	-	384	3,756	-	-	4,140
	-----	-----	-----	-----	-----	-----	-----
Total contributions by and distributions to owners	-	-	384	3,756	-	-	4,140
	-----	-----	-----	-----	-----	-----	-----
Balance at 31 December 2021	74,139	73,670	-	6,145	3,279	111,383	268,616
	=====	=====	=====	=====	=====	=====	=====

Statement of Changes in Equity for the Company (continued)

	Share capital \$000	Share premium \$000	Share-based payments reserve \$000	Capital contributions \$000	Capital redemption reserve \$000	Retained earnings \$000	Total equity \$000
Balance at 1 January 2020	74,139	73,670	(3,833)	626	3,279	87,983	235,865
Total comprehensive income for the period							
Profit or loss	-	-	-	-	-	12,202	12,202
Other comprehensive income	-	-	-	-	-	(503)	(503)
Total comprehensive income for the period	-	-	-	-	-	11,699	11,699
Transactions with owners, recorded directly in equity							
Equity-settled share-based payment transactions	-	-	3,449	1,763	-	-	5,212
Total contributions by and distributions to owners	-	-	3,449	1,763	-	-	5,212
Balance at 31 December 2020	74,139	73,670	(384)	2,389	3,279	99,682	252,775

Consolidated and Parent Company Cash Flow Statement
for the year ended 31 December 2021

	<i>Note</i>	Group		Company	
		2021	2020	2021	2020
		\$000	\$000	\$000	\$000
Cash flows from operating activities					
Profit for the year		11,311	12,770	11,298	12,202
<i>Adjustments for:</i>					
Depreciation, amortisation and impairment	4	719	523	719	523
Interest income	7	(4,314)	(3,455)	(4,301)	(3,451)
Interest expense	7	42,324	29,225	42,324	29,225
Equity settled share-based payment expenses	24	4,140	5,221	4,140	5,221
Share of loss of equity-accounted investees		3,063	3,684	3,063	3,684
Unrealised fair value movement on other investments	3	453	(1,531)	453	(1,531)
Dividend income from investments	3	(1,980)	-	(1,980)	-
Tax	8	9,691	3,488	9,686	3,299
		<u>65,407</u>	<u>49,925</u>	<u>65,402</u>	<u>49,172</u>
Increase in trade and other receivables	16, 17	(153,450)	(234,466)	(154,706)	(233,193)
Decrease/(increase) in inventories	12	(105,525)	19,639	(105,525)	19,639
Increase/(decrease) in trade and other payables	20, 21	55,749	84,762	55,595	84,604
		<u>(137,819)</u>	<u>(80,140)</u>	<u>(139,234)</u>	<u>(79,779)</u>
Interest received		4,232	3,678	4,218	3,678
Interest paid		(29,857)	(26,714)	(29,857)	(26,717)
Tax paid		(7,431)	(5,258)	(7,101)	(5,235)
		<u>(170,875)</u>	<u>(108,433)</u>	<u>(171,974)</u>	<u>(108,053)</u>
Cash flows from investing activities					
Proceeds from sale of investments		4,528	-	4,528	-
Purchase of investments in associates	14	(4)	-	-	-
Purchase of other investments	15	(8,468)	(7,183)	(8,468)	(7,183)
Dividend income from investments	3	1,980	-	1,980	-
Acquisition of property, plant and equipment	9	(33)	(42)	(33)	(42)
Acquisition of investment in subsidiaries	13	-	-	-	(1)
Acquisition of intangible assets	11	(229)	(218)	(229)	(218)
		<u>(2,226)</u>	<u>(7,443)</u>	<u>(2,222)</u>	<u>(7,443)</u>
Cash flows from financing activities					
Net proceeds from trade finance facilities	19	163,294	118,249	163,294	118,249
		<u>163,294</u>	<u>118,249</u>	<u>163,294</u>	<u>118,249</u>
Net increase / (decrease) in cash and cash equivalents		(9,806)	2,373	(10,901)	2,752
Cash and cash equivalents at the start of the period		62,552	60,179	61,714	58,961
		<u>52,746</u>	<u>62,552</u>	<u>50,812</u>	<u>61,714</u>
Cash and cash equivalents at 31 December	18	52,746	62,552	50,812	61,714

The notes on pages 23-58 form part of these financial statements.

Notes

1 Accounting policies

Concord Resources Limited (the “Company”) is a private company incorporated, domiciled and registered in England in the UK. The registered number is 09788959 and the registered address is 27 Old Gloucester Street, London WC1N 3AX. The company was incorporated on 22 September 2015.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the “Group” or “Concord”) and equity account the Group’s interest in associates. The parent company financial statements present information about the Company as a separate entity and not about its Group.

The Group and Parent Company financial statements have been prepared and approved by the directors in accordance with UK-adopted international accounting standards and applicable law.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The Company and Group’s functional currency is United States Dollars (USD).

Critical accounting judgments and estimates

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below.

Concord’s business model exposes it to credit and contract performance risk from counterparties who operate in competitive markets with price volatility and are susceptible to weak macro-economic environments. Judgement is required to decide whether receivables and contracted deliveries will be received and may impact current assets recognised in the statement of financial position.

Concord enters into transactions for the sale and purchase of commodities which may contain a financing element including extended payment terms to customers. Judgement is required to ensure the most appropriate classification and presentation of these transactions in the income statement, balance sheet and cash flow statement. In most instances the economic substance of the transaction is operating in nature and presented as revenue or cost of sales, operating cash flow and a receivable or payable on the balance sheet.

Derivative instruments and inventories are measured at fair value and Concord classifies the quality and reliability of assumptions used to measure fair value in three hierarchy levels as required by IFRS 13 Fair Value Measurement. Current fair value positions are measured using level 1, level 2 and level 3 inputs as described in note 22. These fair value measurements are estimated based on the amounts for which the assets and liabilities would be settled or exchanged at the specific transaction date or reporting date and can differ from the cash flow on settlement. Concord uses valuation techniques that are appropriate for the respective derivative instruments and uses a discounted cash flow valuation technique where unobservable inputs are significant to the overall valuation.

Equity instruments with redemption options have been classified as non-current liabilities to the extent they identify as debt instruments and a subsequent effective interest charge recognised in relation to the potential future liability to be settled on exercise of the redemption option. Judgement has been applied to determine the expected shareholder returns in the future and a market rate of interest for an equivalent long-term loan.

1.1 Basis of measurement

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: inventories, derivative financial instruments, financial instruments classified as fair value through the profit or loss.

1.2 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have assessed that they have, at the time of approving the financial statements, a reasonable expectation that Concord has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements. At 31 December 2021, Concord had net current assets of US\$306.8m (2020: US\$294.7m) and net cash and cash equivalents of US\$52.7m (2020: US\$62.6m). For the year ended 31 December 2021 operating cash outflows of US\$170.9m (2021: outflows US\$108.4m) were offset by inflows from trade finance facilities of US\$163.3m (2020: inflows of US\$118.2m) to give a net outflow of US\$30.8m for the year (2020: net inflow

Notes *(continued)*

1 Accounting policies *(continued)*

1.2 Going concern *(continued)*

of US\$9.8m). At the date of the approval of the accounts Concord has US\$2.1bn of available, secured financing facilities of which US\$1.3bn are being utilised.

In this assessment, the directors have considered Concord's financial and operational position and in particular committed sales volumes, credit risk of key counterparties, liquidity, and covenants, as well as the funds and available financing facilities as at the date of signing of the financial statements and for the next 12 months. In the assessment of credit and contract performance risk, the directors have considered the credit risk management policy as described in the Strategic Report on page 1 and Concord's policy to reduce credit exposure through confirmed letters of credit, document collection, collateral and insurance agreements, will continue throughout the assessment period.

As part of this assessment, the directors have considered reasonably possible downsides, including the potential impact from economic disruptions expected due to the Coronavirus Covid-19 pandemic. Concord's diversified and opportunistic business model which requires responsive flexibility and appropriate risk appetite is designed to be able to position and size itself accordingly and quickly to meet changing refined metal and associated raw material market conditions. As such in the event demand reduces for certain commodity products and Concord's services as a result of the Coronavirus Covid-19 pandemic, the directors are confident that Concord can appropriately adapt its operations to allow it to operate within its available financing facilities and the related covenants.

Therefore, the directors are confident that Concord will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

1.3 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights. When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee. The acquisition date is the date on which control is transferred to the acquirer. The assets, liabilities and results of operations of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the transferred asset.

Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not the ability to control them. A holding of between 20% and 50% of the voting power will usually indicate significant influence unless proven otherwise.

Where the holding is less than 20% significant influence can be evidenced by representation on the board of directors, material transactions between both parties, participation in the policy making, interchange of management personnel or provision of essential technical information. Any related party transaction with an associate will result in unrealised profits and losses eliminated to the extent of the Group's interest in that associate.

Application of the equity method to associates

Associates are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the total comprehensive income and equity movements of equity accounted investees, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, including any other unsecured long-term receivables, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an investee.

Notes (continued)

1 Accounting policies (continued)

1.3 Basis of consolidation (continued)

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the Group's interest in these entities, unless the sale or contribution of assets constitute a business in which case the gains and losses are recognised in full. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 1.11.

Changes in the Group's interest in associates are accounted for as a gain or loss on disposal with any differences between the amount by which the carrying amount of the associate is adjusted and the fair value of the consideration received being recognised directly in the Consolidated Statement of profit and loss and other comprehensive income.

1.4 Foreign currency

Transactions in foreign currencies are translated to the Group's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, the United States Dollar, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the currency translation reserve. When a foreign operation is disposed of, such that control, joint control or significant influence (as the case may be) is lost, the entire accumulated amount in the currency translation reserve, is recycled to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while still retaining control, the relevant proportion of the accumulated amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while still retaining significant influence or joint control, the relevant proportion of the cumulative amount is recycled to profit or loss.

1.5 Classification of financial instruments issued by the Group

Following the adoption of IAS 32, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
- (b) where the instrument will or may be settled in the Group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Group's own equity instruments or is a derivative that will be settled by the Group's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Group's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy.

1.6 Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, short-term loan receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Notes (continued)

1 Accounting policies (continued)

1.6 Non-derivative financial instruments (continued)

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. Restricted cash represents cash held with brokers not available for immediate use and so is included other receivables rather than cash and cash equivalents.

Provisions for expected credit losses are calculated by considering the historical loss profile across the receivables portfolio whilst taking into consideration relevant forward macroeconomic information. In addition, receivables or prepayments more than 30 days overdue represent a material increase in credit risk and if any additional information is provided that would support an increase in the credit risk profile or potential default. Provisions for expected credit losses associated with defaults are calculated based on the individual credit exposure at the point of default and considering the probability of future recovery either during the next 12 months or during the timeline of the contractual obligation.

Trade receivables are written off (impaired) when objective evidence indicates that there is no reasonable expectation of recovery. This is based on an individual review for impairment due to an increase of the credit risk of the customer, past due amounts and taking into account any retention right on product stored for this customer.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided by suppliers to the Group prior to the end of the financial year that are unpaid. They are presented as current liabilities unless payment is not due within 12 months after the reporting period. Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. Accrued cost and expenses relate to purchases and expenses made before the year end that have not been invoiced at the balance sheet date.

Cash and cash equivalents

Cash and cash equivalents comprise cash held at bank, unrestricted cash held with brokers and overnight bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss

1.7 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

- fixtures and fittings: 4 years
- computer hardware: 4 years

For the accounting policies related to the amortisation of right-of-use assets recognised in relation to the leases of the Group, refer to note 1.8 below.

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Notes (continued)

1 Accounting policies (continued)

1.8 Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets.
- Leases with a duration of 12 months or less.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest method, and the rights-of-use asset is depreciated on a straight-line basis, from the commencement date to the earlier of the end of the useful life of the right-of-use asset, or the end of the lease term.

The lease liability is remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modifications in the scope or the consideration of the lease that were not part of the original term.

The lease liability is remeasured with a corresponding adjustment to the rights-of-use asset, or is recorded in profit or loss if the carrying amount of the rights-of-use asset has been reduced to zero.

Depreciation of assets held under finance leases is calculated over the shorter of the lease term or the estimated useful life of the asset.

1.9 Intangible assets

Intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and less accumulated impairment losses.

Notes (continued)

1 Accounting policies (continued)

1.9 Intangible assets (continued)

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Software licences 1 to 5 years

1.10 Inventories

Trading related inventories are stated at fair value less costs to sell. When such inventories are measured at fair value less costs to sell, changes in fair value less costs to sell are recognised in profit or loss in the period of the change.

1.11 Impairment excluding inventories and deferred tax assets

Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes *(continued)*

1 Accounting policies *(continued)*

1.12 Employee benefits

Short-term employment benefit

Wages, salaries, social security contributions, annual leave and sickness absenteeism, incentives and non-monetary benefits are recognised in the year in which the associated services are rendered by employees.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Share-based payment transactions

Where the Company's parent grants rights to its equity instruments to the Group's or the Company's employees, which are accounted for as equity-settled in the consolidated accounts of the parent, the Group or the Company, as the case may be, account for these share-based payments as equity-settled. Amounts recharged by the parent are recognised as a recharge liability with a corresponding debit to equity.

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured using an option valuation model, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment transactions in which Concord receives goods or services by incurring a liability to transfer cash or other assets that is based on the price of Concord's equity instruments are accounted for as cash-settled share-based payments. The fair value of the amount payable to employees is recognised as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. The liability is remeasured at each balance sheet date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expense in profit or loss.

Short-term benefits (cash settled portion of earned incentive compensation)

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

1.13 Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.14 Revenue

Concord's revenue is generated from the sale of physical commodities. Concord acts as principal in all transactions it is involved in. Revenue is recognised when the customer obtains control of the goods sold. Revenue excludes any applicable sales taxes and is recognised at the fair value of the consideration received or receivable to the extent that it is probable that economic benefits will flow to Concord and the revenues and costs can be reliably measured.

In all but a small number of exceptional instances, sales revenue is recognised when title is transferred to the customer as this when the customer obtains control of the goods.

Notes (continued)

1 Accounting policies (continued)

1.14 Revenue (continued)

For certain transactions, the sales price is determined on a provisional basis at the date of sale as the final selling price is subject to movements in market prices up to the date of final pricing, which range from 1 to 210 days after initial booking. Revenue on provisionally priced sales is recognised based on the estimated fair value of the total consideration receivable. The provisional price revenue adjustment embedded within provisionally priced transactions has characteristics of a derivative and the fair value of the final sales price adjustment is re-estimated continuously and changes in fair value are recognised as an adjustment to revenue.

Performance fees are earned when the contractual performance criteria have been met and when it is probable that a significant reversal of revenue recognised will not occur in future reporting periods.

1.15 Other investments

Equity investments, other than investments in associates, are recorded at fair value through profit and loss. As a result, changes in fair value are recorded in the consolidated statement of profit and loss. Gains on the sale of assets and the divestment of interests in other entities are deemed realised at the time the benefits and the risks of the assets are substantially borne by the buyer and there is no uncertainty as to whether the agreed payment will be received.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

1.16 Financing income and expenses

Financing expenses

Financing expenses comprise interest payable, finance charges on shares classified as liabilities and leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset.

Financing income

Financing income comprise interest receivable on funds invested, dividend income, and net foreign exchange gains.

Interest income is recognised when the right to receive payment has been established, it is probable that the economic benefits will flow to Concord and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the applicable interest rate.

1.17 Income tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Notes (continued)

2 Revenue

	Group		Company	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Revenue by geographical location of customer				
- Americas	2,514,050	1,722,005	2,514,050	1,722,005
- Asia Pacific	1,764,515	1,780,012	1,764,511	1,778,582
- Europe, Middle East and Africa	1,070,676	780,432	1,070,676	780,432
Total revenues	5,349,241	4,282,449	5,349,237	4,281,019

	Group		Company	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Sale of goods	5,347,711	4,282,449	5,347,707	4,281,019
Rendering of services	1,530	-	1,530	-
Total revenues	5,349,241	4,282,449	5,349,237	4,281,019

3 Other income

	Group and Company	
	2021 \$000	2020 \$000
(Loss) / gain on equity investments measured at fair value through profit and loss	(453)	1,531
Dividend income received from investments	1,980	-
Gain on disposal of investments	1,934	-
Total	3,461	1,531

4 Expenses and auditor's remuneration

Included in profit/loss are the following:

	Group and Company	
	2021 \$000	2020 \$000
Depreciation and amortisation	719	523

Notes *(continued)*

4. Expenses and auditor's remuneration *(continued)*

Auditor's remuneration:

	Group and Company	
	2021	2020
	\$000	\$000
Fees payable to the company's auditors and its associates for the audit of parent company and consolidated financial statements	765	888
Fees payable to company's auditors and its associates for other services:		
Taxation compliance services	219	326
Other tax advisory services	4	3
	988	1,218
	988	1,218

5 Staff numbers and costs

The average number of persons employed by Concord (excluding non-executive directors) during the year, analysed by category, was as follows:

	Group and Company	
	Number of employees	
	2021	2020
Employees	55	52
	55	52
	55	52

The aggregate payroll costs of these persons were as follows:

	Group and Company	
	2021	2020
	\$000	\$000
Wages and salaries	20,374	12,086
Social security costs	2,933	1,400
Share based payments (See note 24)	4,140	5,221
Contributions to defined contribution plans	275	221
	27,722	18,928
	27,722	18,928

6 Directors' remuneration

	Group and Company	
	2021	2020
	\$000	\$000
Directors' remuneration	5,977	2,227
Contributions to defined contribution scheme	26	25
Amounts receivable under long term incentive schemes	2,728	3,680
	8,730	5,931
Total directors' remuneration	8,730	5,931

Notes (continued)

6. Directors' remuneration (continued)

The aggregate of remuneration and amounts receivable under long term deferred incentive schemes (includes prior year awards) of the highest paid director was US\$6,434k (2020: US\$4,026k). The number of directors that held office at the end of the year was 3 (2020: 3), of which 3 (2020: 3) received remuneration and 2 (2020: 2) received amounts under the defined contribution scheme.

7 Interest income and expense

	Group		Company	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Interest income				
Interest income on overnight deposits	14	7	1	4
Interest income on investments in money market funds	-	79	-	79
Interest income on extended payment terms	3,569	3,307	3,569	3,307
Interest income on intercompany loans	692	-	692	-
Interest income on held-to-maturity investments	35	42	35	42
Interest income on overpaid tax	-	20	-	20
Interest income on lease receivables	4	-	4	-
	<u>4,314</u>	<u>3,455</u>	<u>4,301</u>	<u>3,451</u>
Total interest income	<u><u>4,314</u></u>	<u><u>3,455</u></u>	<u><u>4,301</u></u>	<u><u>3,451</u></u>

	Group and Company	
	2021 \$000	2020 \$000
Interest expense		
Interest expense on financial liabilities measured at amortised cost	29,645	26,838
Interest expense on redeemable equity classified as debt	12,679	2,388
	<u>42,324</u>	<u>29,225</u>
Total interest expense	<u><u>42,324</u></u>	<u><u>29,225</u></u>

A non-cash expense of US\$12.7m (2020: US\$2.4m) has been included in interest expense in relation to redemption options for D1 Class, D2 Class, D3 Class and X Class shares which can be exercised by the investors (and in relation to X Class Shares, by Concord) at certain time intervals after the date of initial investment (further detail is provided in note 23). The US\$12.7m has been calculated using effective interest rates of between 5.9% and 10.1%. These rates have been calculated by fair valuing the liability component in relation to the D1, D2, D3 and X shares assuming a 6% return on equity over the time intervals between initial investment and redemption cash flow and discounting this back at the market rate of interest of between 4.2% and 8.9% for an unsecured term loan.

Notes *(continued)*

8 Taxation

Recognised in the income statement

	Group		Company	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
UK corporation tax	7,123	3,759	7,123	3,759
Prior year adjustments to current tax	(4)	(237)	(4)	(237)
Overseas tax suffered	2,276	235	2,272	46
	<hr/>	<hr/>	<hr/>	<hr/>
Current tax expense	9,396	3,757	9,392	3,567
	<hr/>	<hr/>	<hr/>	<hr/>
Deferred tax expense / (income) in current year	270	(465)	270	(465)
Prior year adjustment to deferred tax	-	176	-	176
Effect of exchange rates	24	21	24	21
	<hr/>	<hr/>	<hr/>	<hr/>
Deferred tax expense / (income)	294	(269)	294	(269)
	<hr/>	<hr/>	<hr/>	<hr/>
Total tax expense in income statement	9,690	3,488	9,686	3,299
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Reconciliation of effective tax rate

	Group		Company	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Profit for the year	11,312	12,770	11,298	12,202
Total tax expense (including tax on equity accounted investees)	9,690	3,488	9,686	3,299
	<hr/>	<hr/>	<hr/>	<hr/>
Profit excluding taxation	21,002	16,259	20,985	15,501
	<hr/>	<hr/>	<hr/>	<hr/>
Tax using the UK corporation tax rate of 19.00% (2020: 19.00%)	3,990	3,089	3,987	2,945
Prior year adjustments and rate change effects	20	(41)	20	(41)
Non-deductible expenses	2,644	518	2,644	518
Overseas tax	2,596	(137)	2,596	(182)
Share in chargeable profits from partnerships	178	-	178	-
Gain on capital disposal	195	-	195	-
Exchange rate differences	67	58	67	58
	<hr/>	<hr/>	<hr/>	<hr/>
Total tax expense (including tax on equity accounted investees)	9,690	3,488	9,686	3,299
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The effective tax rate has increased to 46.1% (2020: 21.5%) due to higher non-deductible expenses related to interest accrued on the redeemable shares and an overseas capital gain tax charge related to the disposal of Concord's holding in Atlantic Alumina LLC.

Notes *(continued)*

9 Property, plant and equipment

	Computer hardware \$000	Fixtures & fittings \$000	Total \$000
Cost			
Balance at 1 January 2021	442	325	767
Additions	23	10	33
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2021	465	335	800
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Depreciation			
Balance at 1 January 2021	368	324	692
Depreciation charge for the year	36	3	39
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2021	404	327	731
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value at 31 December 2021	61	8	69
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	Computer hardware \$000	Fixtures & fittings \$000	Total \$000
Cost			
Balance at 1 January 2020	400	325	3,772
Additions	42	-	538
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2020	442	325	4,310
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Depreciation			
Balance at 1 January 2020	295	323	1,623
Depreciation charge for the year	72	1	388
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2020	368	324	2,011
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value at 31 December 2020	74	1	2,299
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

We have reclassified leasehold buildings from property, plant and equipment to right-of-use assets on the face of the balance sheet. See note 10 for further details on leases.

Notes (continued)

10 Leases

Right of use assets

	Group and Company	
	Leasehold Building \$000	Total \$000
Cost		
Balance at 1 January 2021	3,543	3,543
Additions / Remeasurements	326	326
	<hr/>	<hr/>
Balance at 31 December 2021	3,869	3,869
	<hr/> <hr/>	<hr/> <hr/>
Depreciation		
Balance at 1 January 2021	1,319	1,319
Amortisation for the year	453	453
	<hr/>	<hr/>
Balance at 31 December 2021	1,772	1,772
	<hr/> <hr/>	<hr/> <hr/>
Net book value at 31 December 2021	2,097	2,097
	<hr/> <hr/>	<hr/> <hr/>

	Group and Company	
	Leasehold building \$000	Total \$000
Cost		
Balance at 1 January 2020	3,047	3,047
Additions	497	497
	<hr/>	<hr/>
Balance at 31 December 2020	3,543	3,543
	<hr/> <hr/>	<hr/> <hr/>
Depreciation		
Balance at 1 January 2020	1,005	1,005
Amortisation for the year	314	314
	<hr/>	<hr/>
Balance at 31 December 2020	1,319	1,319
	<hr/> <hr/>	<hr/> <hr/>
Net book value at 31 December 2020	2,224	2,224
	<hr/> <hr/>	<hr/> <hr/>

Lease liabilities

The following table sets out the movements in the lease liabilities during the year.

	Group and Company	
	Office Lease 2021 \$000	Office Lease 2020 \$000
Balance at 1 January 2021	2,323	2,070
Lease obligations entered into in the year	1,208	497
Remeasurement due to updated management assumptions	(278)	-
Interest expense on lease liabilities	50	64
Cash payments	(449)	(350)
Foreign exchange differences	(10)	41
	<hr/>	<hr/>
Balance at 31 December 2021	2,844	2,323
	<hr/> <hr/>	<hr/> <hr/>

Notes *(continued)*

10 **Leases** *(continued)*

The following table sets out a maturity analysis of lease payments payable, showing the undiscounted lease payments to be paid after the reporting date:

	Group and Company	
	Office Lease	Office Lease
	2021	2020
	\$000	\$000
Due less than 1 year	900	341
Due 1-2 years	974	491
Due 2-5 years	970	1,303
Due greater than 5 years	-	188
	<hr/>	<hr/>
Balance at 31 December 2021	2,844	2,323
	<hr/> <hr/>	<hr/> <hr/>

On 1 September 2016, Concord entered into a long-term lease agreement for office space at 3 St. James's Square, London. The lease is for a term of 10 years with break clauses at the 3 and 5 year points. It was originally deemed likely that Concord would exercise its break clause at the 3 year point but now it is now envisaged Concord will not exercise any break clauses. This change in assumptions resulted in a remeasurement of the lease obligation in 2019 of US\$2,112,767. In March 2021 there was an amendment made to the rental agreement resulting in a remeasurement of US\$(278,285).

On 28 October 2020, Concord entered into a long-term lease agreement for office space at 60 Arch Street, Greenwich, CT 06830, USA. The lease is for a term of 42 months commencing in December 2020.

On 1 November 2021, Concord entered into a long-term lease agreement for office space at 28th Floor, 437 Madison Avenue. The lease is for a term of 24 months commencing November 2021.

The interest expense charged on the lease obligation has been calculated using a rate of 3%.

The Group makes payments for short-term leases of serviced offices in Hong Kong of HKD 2,429,390 [US\$312,454] (2020: HKD 2,526,061 [US\$325,690]) and in the Netherlands of €1,834 [US\$ 2,169] (2020: €2,251 [US\$2,659]) have been recognised directly in the income statement in accordance with IFRS 16 paragraph 6.

Expenses relating to leases of low-value assets that are not shown as short-term leases (included in Selling, General and Administrative expenses) amount to US\$3,653 (2020: US\$3,532).

Lease receivables

The following table sets out the movements in the lease receivables during the year.

	Group and Company
	Office Lease
	2021
	\$000
Balance at 1 January 2021	-
Lease receivables entered into in the year	604
Interest expense on lease liabilities	4
Cash payments	(52)
	<hr/>
Balance at 31 December 2021	556
	<hr/> <hr/>

Notes *(continued)*

10 Leases *(continued)*

The following table sets out a maturity analysis of lease payments payable, showing the undiscounted lease payments to be paid after the reporting date:

	Group and Company Office Lease 2021 \$000
Due less than 1 year	298
Due 1-2 years	258
Due 2-5 years	-
Due greater than 5 years	-
 	<hr/>
Balance at 31 December 2021	556
	<hr/> <hr/>

On 1 November 2021, Concord entered into a long-term sub-lease agreement for office space at 28th Floor, 437 Madison Avenue. The lease is for a term of 24 months commencing November 2021.

The interest income charged on the lease receivable has been calculated using a rate of 4.34%.

11 Intangible assets

	Group and Company Software	
	Licences \$000	Total \$000
Cost		
Balance at 1 January 2021	1,237	1,237
Additions	229	229
	<hr/>	<hr/>
Balance at 31 December 2021	1,466	1,466
	<hr/> <hr/>	<hr/> <hr/>
Amortisation and impairment		
Balance at 1 January 2021	900	900
Amortisation for the year	227	227
	<hr/>	<hr/>
Balance at 31 December 2021	1,127	1,127
	<hr/> <hr/>	<hr/> <hr/>
Net book value at 31 December 2021	339	339
	<hr/> <hr/>	<hr/> <hr/>

Notes *(continued)*

11 Intangible assets *(continued)*

	Group and Company	
	Software Licences	Total
	\$000	\$000
Cost		
Balance at 1 January 2020	1,019	1,019
Additions	218	218
	<u>1,237</u>	<u>1,237</u>
Balance at 31 December 2020	<u>1,237</u>	<u>1,237</u>
Amortisation and impairment		
Balance at 1 January 2020	765	765
Amortisation for the year	135	135
	<u>900</u>	<u>900</u>
Balance at 31 December 2020	<u>900</u>	<u>900</u>
Net book value at 31 December 2020	<u>337</u>	<u>337</u>

Amortisation and impairment charge

The amortisation and impairment charge is recognised in the following line items in the income statement:

	Group and Company	
	2021	2020
	\$000	\$000
Selling, general & administrative expenses	227	135
	<u>227</u>	<u>135</u>

12 Inventories

	Group and Company	
	2021	2020
	\$000	\$000
Inventories	854,773	749,248
	<u>854,773</u>	<u>749,248</u>

All inventories are carried at fair value less costs to sell. The fair value classification of inventories is at level 2 fair value measurement using observable market prices obtained from exchanges or market information services adjusted for relevant location and quality differentials.

The Group has a number of secured financing facilities (see note 19) which finance an amount of its inventories. The inventory is not derecognised as the Group retains the principal risks and rewards of ownership.

Notes *(continued)*

13 Investments in subsidiaries

The Group and Company has the following investments in subsidiaries:

	Registered office address	Class of shares held	Ownership	
			2021	2020
Concord Resources International Commercial and Trading (Shanghai) Co. Limited	Room 2237, 22 nd Floor, Tomson Commercial Building, No. 710 Dong Fang Road, China (Shanghai) Free Trade Zone	Ordinary	100%	100%
Concord Resources Europe B.V.	Singel 250, 1016AB Amsterdam, Netherlands	Ordinary	100%	100%

14 Investments in associates

	Group		Company	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Carrying amount for equity accounted investees				
At 1 January	18,427	22,615	18,427	22,615
Additions	7,504	-	7,500	-
Disposals	(23,267)	-	(23,267)	-
Share of (loss) from associates	(3,063)	(3,684)	(3,063)	(3,684)
Share of other comprehensive profit / (loss) from associates	403	(503)	403	(503)
At 31 December 2021	4	18,427	-	18,427

As at 31 December 2021, the total carrying value of associate investments is US\$4k (2020: US\$18,427k) comprised of Niche Fusina Rolled Products S.r.l, a limited liability company of which Concord Resources Europe B.V (subsidiary of Concord Resources Limited) currently holds a 33.4% membership interest and a seat on the Board of Directors. During the year, Concord Resources Limited's interests in New Day Aluminium Holdings LLC and Niche European Holdings LLC were transferred to Concord Resources International Minerals Limited.

15 Other Investments

	Group and Company	
	2021 \$000	2020 \$000
Listed equity securities	752	1,547
Unlisted equity securities	6,383	7,666
	7,135	9,213

All equity securities are accounted for under the fair value through profit and loss method.

Notes *(continued)*

16 Other financial assets

	Group		Company	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Short term loan receivables	369	333	369	333
Derivatives - current	247,675	221,021	247,659	221,021
Derivatives – non-current	98,254	59,222	98,254	59,222
	<u>346,298</u>	<u>280,577</u>	<u>346,282</u>	<u>280,577</u>

17 Trade and other receivables

	Group		Company	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Trade receivables due from third parties	485,530	422,202	485,530	422,202
Amounts due from related parties	85,978	-	86,033	-
Restricted cash with brokers	50,719	49,985	50,483	48,516
Direct tax receivable	149	718	-	718
Indirect tax receivable	943	594	860	518
Deposits	475	3,257	475	3,257
Prepayments	21,002	57,602	20,994	57,597
Receivables from employees	11	-	11	-
	<u>644,807</u>	<u>534,359</u>	<u>644,386</u>	<u>532,812</u>
Current	<u>644,807</u>	<u>534,359</u>	<u>644,386</u>	<u>532,812</u>

The Group has a number of financing facilities, which finance a portion of its receivables. The receivables have not been derecognised as the Group retains the principal risks and rewards of ownership. The proceeds received are recognised as current interest-bearing loans and borrowings (see note 19).

18 Cash and cash equivalents

	Group		Company	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Cash at bank	36,708	14,846	36,533	14,008
Excess cash held in trade finance facilities	1,218	1	1,218	1
Unrestricted cash with brokers	10,411	22,296	8,652	22,296
Money market fund deposits	4,409	25,409	4,409	25,409
	<u>52,746</u>	<u>62,552</u>	<u>50,812</u>	<u>61,714</u>
Cash and cash equivalents	<u>52,746</u>	<u>62,552</u>	<u>50,812</u>	<u>61,714</u>

Notes *(continued)*

19 Borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate and foreign currency risk, see note 25.

	Group and Company	
	2021	2020
	\$000	\$000
Non-current liabilities		
Shares classified as debt	137,386	124,707
	137,386	124,707
Current liabilities		
Trade finance facilities	1,220,698	1,059,841
Short-term borrowings	6,000	3,500
	1,226,698	1,063,341

Terms and debt repayment schedule

				Group and Company	
	Currency	Nominal interest rate	Year of maturity	Carrying amount	Carrying amount
				2021	2020
				\$000	\$000
Uncommitted secured inventory/receivable facilities	USD	US\$LIBOR/COF+85-250bps	< 1 year	1,177,745	1,017,742
Committed secured inventory/receivable facility	USD	US\$LIBOR/COF+140bps	< 1 year	42,953	42,098
Uncommitted unsecured revolving credit facilities	USD	US\$LIBOR/COF+235-250bps	< 1 year	6,000	3,500
				1,226,698	1,063,341

The Group and Company has a total of US\$1,915m (2020: US\$1,865m) of uncommitted financing facilities and US\$150.0m (2020: US\$150.0m) of committed financing facilities.

A commitment fee was also incurred in addition to the nominal interest rate for the inventory facility.

D1, D2, D3 and X shares classified as non-current liabilities are explained further in note 23.

Notes *(continued)*

20 Trade and other payables

	Group		Company	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Current				
Trade payables due to third parties	102,083	89,918	102,076	89,916
Amounts due to related parties	1,045	-	1,045	-
Non-trade payables and accrued expenses	15,076	7,038	14,967	7,035
Broker balances	10,066	20,275	10,066	20,275
Amounts due to parent company	-	13,100	-	13,100
Indirect tax payable	3,528	670	3,528	670
Cash advances from customers	17,045	12,813	17,045	12,813
	<u>148,843</u>	<u>143,813</u>	<u>148,727</u>	<u>143,807</u>

21 Other financial liabilities

	Group		Company	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Derivatives - current	110,765	60,406	110,765	60,392
Derivatives – non-current	5,420	3,535	5,420	3,535
	<u>116,185</u>	<u>63,941</u>	<u>116,185</u>	<u>63,927</u>

22 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Group and Company					
	Assets 2021 \$000	Assets 2020 \$000	Liabilities 2021 \$000	Liabilities 2020 \$000	Net 2021 \$000	Net 2020 \$000
Property, plant and equipment	-	-	81	172	81	172
Short term timing differences	(5)	(2)	-	-	(5)	(2)
Investments in associates	-	-	-	3,558	-	3,558
Other investments	-	-	764	230	764	230
Tax losses carried forward	-	(3,413)	-	-	-	(3,413)
	<u>(5)</u>	<u>(3,415)</u>	<u>845</u>	<u>3,960</u>	<u>840</u>	<u>545</u>
Tax (assets) / liabilities	(5)	(3,415)	845	3,960	840	545
Net of tax liabilities / (assets)	5	3,415	(5)	(3,415)	-	-
	<u>-</u>	<u>-</u>	<u>840</u>	<u>545</u>	<u>840</u>	<u>545</u>
Net tax liabilities	<u>-</u>	<u>-</u>	<u>840</u>	<u>545</u>	<u>840</u>	<u>545</u>

Notes *(continued)*

22 Deferred tax assets and liabilities *(continued)*

Movement in deferred tax during the year

	Group and Company	
	2021	2020
	\$000	\$000
Opening deferred tax liability	545	814
Charge / (credit) to profit and loss account	270	(465)
Adjustments in respect of prior years	-	176
Rate effects	25	21
	840	545
	840	545

23 Share capital and reserves

Share capital

All shares have a par value of US\$0.50 each except for B shares which have a par value of US\$0.01 each and C shares which have a par value of £1.00 each.

	Issued and fully paid up at 1 January 2021	Issued for cash during period	Issued as employee compensation	Repurchased by the group during the year	On issue at 31 December 2021 (fully paid up)
<i>Number of shares</i>					
A shares	129,104,694	-	-	-	129,104,694
B shares	16,500,000	-	-	-	16,500,000
C shares	1	-	-	-	1
D1 shares	50,000,000	-	-	-	50,000,000
D2 shares	16,790,896	-	-	-	16,790,896
D3 shares	16,899,415	-	-	-	16,899,415
X shares	1,535,020	-	-	-	1,535,020

	Issued and fully paid up at 1 January 2020	Issued for cash during period	Issued as employee compensation	Repurchased by the group during the year	On issue at 31 December 2020 (fully paid up)
<i>Number of shares</i>					
A shares	129,104,694	-	-	-	129,104,694
B shares	16,500,000	-	-	-	16,500,000
C shares	1	-	-	-	1
D1 shares	50,000,000	-	-	-	50,000,000
D2 shares	16,790,896	-	-	-	16,790,896
D3 shares	16,899,415	-	-	-	16,899,415
X shares	1,535,020	-	-	-	1,535,020

Notes *(continued)*

23 Share capital and reserves *(continued)*

Share capital *(continued)*

	Group and Company			
	Share capital 2021 \$000	Share premium 2021 \$000	Share capital 2020 \$000	Share premiu m 2020 \$000
<i>Allotted, called up and fully paid</i>				
A shares with a par value of US\$0.50 each	64,552	73,670	64,552	73,670
A shares with a par value of US\$0.50 each - restricted not yet vested	-	-	-	-
B shares with a par value of US\$0.01 each	165	-	165	-
C shares with a par value of £1.00 each	-	-	-	-
D1 shares with a par value of US\$0.50 each	6,917	-	6,917	-
D2 shares with a par value of US\$0.50 each	1,417	-	1,417	-
D3 shares with a par value of US\$0.50 each	932	-	932	-
X shares with a par value of US\$0.50 each	157	-	157	-
	<hr/>	<hr/>	<hr/>	<hr/>
Shares classified as shareholder funds	74,139	73,670	74,139	73,670
	<hr/>	<hr/>	<hr/>	<hr/>
D1 shares classified as long-term borrowings (redemption option)	18,083	54,570	18,083	54,570
D2 shares classified as long-term borrowings (redemption option)	6,979	17,329	6,979	17,329
D3 shares classified as long-term borrowings (redemption option)	7,518	17,980	7,518	17,980
X shares classified as long-term borrowings (redemption option)	611	1,637	611	1,637
	<hr/>	<hr/>	<hr/>	<hr/>
Shares classified as long-term borrowings	33,191	91,516	33,191	91,516
	<hr/>	<hr/>	<hr/>	<hr/>
Total shares	107,330	165,187	107,330	165,187
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

23 Share capital and reserves (continued)

The number of restricted Class B shares issued and linked to employees and shareholders with a substantial risk of forfeiture due to specific performance hurdles and employment criteria is nil (2020: nil). As a result of the share-for-share exchange (see note 24), the Class B shares issued by the Company no longer have any restrictions as at 31 December 2021. See note 24 for further details regarding performance hurdles and vesting dates.

The holders of ordinary shares (except Class C shares) are entitled to receive dividends as declared from time to time subject to the Shareholder Agreement and Board discussion. The holders of ordinary shares (except Class C shares) are entitled to one vote per share at meetings of Concord.

During the year the Group issued nil (2020: nil) shares for consideration of US\$nil (2020: US\$nil), with US\$nil (2020: US\$nil) settled in cash and US\$nil (2020: US\$nil) issued as compensation to employees. Also during the year the Group repurchased nil (2020: nil) shares for consideration of US\$nil (2020: US\$nil).

A portion of the D1, D2, D3 and X shares equity has been classified as long-term borrowings due to redemption options for these share classes, which can be exercised by the investors (and in relation to Class X Shares, by Concord) at certain time intervals after the date of initial investment. Class D1, D2 and D3 shareholders have the right to redeem or repurchase one third of the shares on 1 December 2022, 1 November 2022, 1 March 2023/24, June 2022/23 and September 2022 respectively, and then one third at each anniversary of the previous redemption date. Payment occurs 6 months after the redemption date. Class X shareholders are redeemable by either the shareholder or the group upon serving a redemption notice and can be redeemed on the 1-year anniversary of the redemption notice. Non-cash accrued interest during the period of US\$12.7m (2020: US\$2.4m) has been recognised within the share premium component of the shares classified as long-term borrowings.

Dividends

No dividends were distributed during the year (2020: nil).

Share based payment reserve

The share-based payment reserve comprises the portion of A shares issued as part of incentive compensation that is restricted (note 24).

Other reserves

Other reserves are comprised of capital redemption reserves of US\$3.3m (2020: US\$3.3m), capital contribution reserves of US\$6.1m (2020: US\$2.4m) and currency translation reserves of US\$0.1m (2020: US\$0.1m).

24 Share based payments

On 29th November 2019, all shares held by shareholders in Concord Resources Limited (“CRL”) were transferred in a one-for-one share-for-share exchange to Concord Resources Holdings Limited (“CRHL”). All rights attached to the shares in CRL were mirrored in CRHL. Therefore references to shares below in 2019 onwards correspond to shares in CRHL, as opposed to shares in Concord Resources Limited.

Equity settled share-based payments relate to restricted Class A and B shares.

Class B shares issued to employees have substantial risk of forfeiture due to employment criteria and, for certain current and former directors only, equity raising criteria. All of the Class B shares were unrestricted at 31 December 2021 (2020: all were unrestricted). B shares are restricted from voting, dividends and transfer until they become unrestricted and are subject to forfeiture in certain circumstances on cessation of employment. The unrestricted market value at subscription was US\$0.01 per share as the Group had not commenced operations and had no assets.

Class A shares issued to employees as part of incentive compensation have a substantial risk of forfeiture due to employment criteria. The shares granted during 2021 become unrestricted over a period of 4 years provided the employee remains with the Group (note there are certain circumstances where the shares still become unrestricted if the employee leaves the Group). The unrestricted market value for subscription is US\$1.82 per share (2020: US\$1.60) which is in line with a range of values presented to us by our third-party valuer and the shares are to be issued in 2022.

Notes *(continued)*

24 Share based payments *(continued)*

The terms and conditions of the grants are as follows:

	Group and Company				Vesting conditions
	Fair value at grant date \$000	Method of settlement	Number of instruments outstanding 2021	Number of instruments outstanding 2020	
Equity settled award to employees - 2018 (A Shares) (issued by CRL before share-for-share exchange)	6,140	Equity	-	268,357	Vest over 4 years to 31 Dec 2021
Equity settled award to employees - 2019 (A Shares) (issued by CRHL)	2,504	Equity	99,682	332,272	Vest over 4 years to 31 Dec 2022
Equity settled award to employees - 2020 (A Shares) (issued by CRHL)	780	Equity	101,563	233,594	Vest over 4 years to 31 Dec 2023
Equity settled award to employees - 2021 (A Shares) (to be issued by CRHL)	5,155	Equity	1,357,200	-	Vest over 4 years to 31 Dec 2024
Equity settled award to employees - 2021 (A Shares) (issued by CRHL)	660	Equity	94,286	-	Vest over 1 year to 30 June 2022

The total expenses recognised for in the year arising from share-based payments are as follows:

	2021 \$000	2020 \$000
Equity settled share-based payment expense	4,140	5,221
	<u>4,140</u>	<u>5,221</u>

25 Financial instruments

Fair values are determined using quoted market prices and observable inputs and are classified into a fair value hierarchy based on the valuation technique and observability of inputs used to determine fair value.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) and are significant for the fair value measurement

Notes *(continued)*

25 Financial instruments *(continued)*

Fair values of financial instruments

The fair values of all financial assets and financial liabilities by class together with their carrying amounts shown in the balance sheet are as follows (note that Company only amounts have not been presented as they are identical to Group numbers except for small differences on cash and cash equivalents of US\$1,934k, trade and other receivables of US\$421k, trade and other payables of US\$115K and futures of US\$16K):

	Group			
	Fair value	Level 1	Level 2	Level 3
	2021 \$000	2021 \$000	2021 \$000	2021 \$000
Futures	36,703	36,703	-	-
Options	2,285	2,285	-	-
OTC derivatives	1,145	-	1,145	-
Physical forwards	303,064	-	180,577	122,487
Cross currency swaps	2,732	-	2,732	-
Other investments	7,135	752	-	6,383
	<u>353,064</u>	<u>39,740</u>	<u>184,454</u>	<u>128,870</u>
Total financial assets designated at fair value through profit or loss at 31 December 2021				

	Group			
	Fair value	Level 1	Level 2	Level 3
	2020 \$000	2020 \$000	2020 \$000	2020 \$000
Futures	37,857	37,857	-	-
Options	9,055	9,055	-	-
OTC derivatives	4,278	-	4,278	-
Physical forwards	229,053	-	171,822	57,230
Cross currency swaps	-	-	-	-
Other investments	9,213	1,547	-	7,666
	<u>289,457</u>	<u>48,460</u>	<u>176,100</u>	<u>64,896</u>
Total financial assets designated at fair value through profit or loss at 31 December 2020				

Notes (continued)

25 Financial instruments (continued)

Fair values of financial instruments (continued)

	Group			
	Fair value	Carrying	Fair value	Carrying
	2021	amount	2020	amount
	\$000	\$000	\$000	\$000
Cash and cash equivalents	52,746	52,746	62,552	62,552
Trade and other receivables	644,807	644,807	534,359	534,359
Lease receivables	556	556	-	-
Short-term loan receivables	369	369	333	333
	<u>698,478</u>	<u>698,478</u>	<u>597,244</u>	<u>597,244</u>
Total loans and receivables	698,478	698,478	597,244	597,244

	Group			
	Fair value	Level 1	Level 2	Level 3
	2021	2021	2021	2021
	\$000	\$000	\$000	\$000
Futures	22,202	22,202	-	-
Options	686	686	-	-
OTC derivatives	7,887	-	7,887	-
Physical forwards	85,409	-	78,487	6,922
Cross currency swaps	-	-	-	-
	<u>116,184</u>	<u>22,888</u>	<u>86,374</u>	<u>6,922</u>
Total financial liabilities designated at fair value through profit or loss at 31 December 2021	116,184	22,888	86,374	6,922

	Group			
	Fair value	Level 1	Level 2	Level 3
	2020	2020	2020	2020
	\$000	\$000	\$000	\$000
Futures	21,581	21,581	-	-
Options	-	-	-	-
OTC derivatives	6,702	-	6,702	-
Physical forwards	33,233	-	33,233	-
Cross currency swaps	2,426	-	2,426	-
	<u>63,941</u>	<u>21,581</u>	<u>42,361</u>	<u>-</u>
Total financial liabilities designated at fair value through profit or loss at 31 December 2020	63,941	21,581	42,361	-

Notes *(continued)*

25 Financial instruments *(continued)*

Fair values of financial instruments (continued)

	Group			
	Fair value	Carrying amount	Fair value	Carrying amount
	2021 \$000	2021 \$000	2020 \$000	2020 \$000
Borrowings	1,226,698	1,226,698	1,063,341	1,063,341
Redeemable shares classified as liabilities	137,386	137,386	124,707	124,707
Lease obligations	2,844	2,844	2,323	2,323
Trade and other payables	148,843	148,843	143,813	143,813
	<hr/>	<hr/>	<hr/>	<hr/>
Total financial liabilities measured at amortised cost	1,515,771	1,515,771	1,334,184	1,334,184
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

There were transfers from Level 3 to Level 2 of US\$2,924k (2020: US\$22,256K) as all significant inputs became observable during the year, with the maturity of the contracts becoming naturally shorter dated over time. US\$87.3m of level 3 asset fair values have maturity dates within the next 2 years.

Reconciliation of Level 3 asset fair values:

	Group	
	Derivative financial assets	Derivative financial assets
	2021 \$000	2020 \$000
Opening balance at 1 January	57,230	68,256
Transfers out of Level 3	(2,924)	(22,256)
Total gains or losses - in profit or loss (cost of sales)	68,181	11,230
	<hr/>	<hr/>
Closing balance at 31 December	122,487	57,230
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

25 Financial instruments (continued)

Fair values of financial instruments (continued)

The following table shows the valuation techniques and inputs used to determine fair value for financial instruments.

Financial instruments measured at fair value	Valuation technique and inputs	Group and Company			
		2021		2020	
		Assets \$000	Liabilities \$000	Assets \$000	Liabilities \$000
Futures (Level 1)	Exchange quoted prices in an active market.	36,703	22,202	37,857	21,581
Options (Level 1)	Exchange quoted prices in an active market.	2,285	686	9,055	-
Other investments (Level 1)	Share prices quoted in an active market.	752	-	1,547	-
OTC derivatives (Level 2)	Discounted cash flow model where appropriate. Observable quoted prices sourced from both exchanges or traded references in active markets for both assets and liabilities. Prices are adjusted for discount rates which captures the time value of money and counterparty credit risk where appropriate.	1,145	7,887	4,278	6,702
Physical forwards (Level 2)	Discounted cash flow model where appropriate. Observable quoted prices sourced from both exchanges or traded references in active markets for both assets and liabilities. Prices on occasion are adjusted for location, grade differentials and discount rates which captures the time value of money and counterparty credit risk.	180,577	78,487	171,822	33,233
Foreign currency contracts, cross currency swaps and options (Level 2)	Discounted cash flow model where appropriate. Observable quoted prices sourced from both exchanges or traded references in active markets for both assets and liabilities. Prices are adjusted for discount rates which captures the time value of money and counterparty credit risk where appropriate.	2,732	-	-	2,426
Physical forwards (Level 3)	The fair value of the level 3 contracts has been calculated using discounted cash flow models supported by @Risk modelling to stress test valuations (similar to Monte Carlo simulation). Prices on occasion are adjusted for location, grade differentials and discount rates which captures the time value of money and counterparty credit risk. Significant unobservable inputs consist of the longer dated points on forward price curves. A +/-1% movement in the historical 1-2 year moving monthly average alumina to LME aluminium price ratio would result in a +/- US\$10.1m movement in the net NPV value of the purchase and sales contracts. A +/- 1% change in the discount rate would result in a +/- US\$1.2m movement in the net NPV value of the purchase and sale contracts.	122,487	6,923	57,230	-

Notes *(continued)*

26 Financial and capital risk management

Financial risks arising in the normal course of business from Concord's activities comprise market risk (including commodity price risk), interest rate risk, currency risk, credit risk (including contract performance risk) and liquidity risk. Concord's risk management policies and procedures have been outlined in the strategic report.

26 (a) Credit risk

Credit risk is the risk of financial loss to Concord if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from Concord's receivables from customers, cash and cash equivalents, prepayments and derivative instruments.

The maximum exposure to credit risk at the balance sheet date by class of financial instrument was:

	Group		Company	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Trade receivables due from third parties	485,530	422,202	485,530	422,202
Prepayments	21,002	57,602	20,994	57,597
Lease receivables	556	-	556	-
Cash and cash equivalents	52,746	62,552	50,812	61,714
Derivative assets	345,929	280,244	345,913	280,244
Short-term loan receivables	369	333	369	333
	<u>912,552</u>	<u>822,933</u>	<u>910,594</u>	<u>822,090</u>

The concentration of credit risk for trade receivables at the balance sheet date by geographic region was:

	Group and Company	
	2021 \$000	2020 \$000
Americas	262,517	231,567
APAC	119,699	130,116
EMEA	103,314	60,519
	<u>485,530</u>	<u>422,202</u>

Notes *(continued)*

26 Financial and capital risk management *(continued)*

26 (a) Credit risk *(continued)*

The concentration of credit risk for trade receivables at the balance sheet date by type of counterparty was:

	Group and Company	
	2021	2020
	\$000	\$000
Consumer	482,047	269,729
Producer	683	152,442
Trading	2,800	32
	485,530	422,202
	485,530	422,202

Credit quality of financial assets and impairment losses

Provisions for expected credit losses are in line with the Groups accounting policy in note 1. The aging of trade receivables at the balance sheet date was:

	Group and Company	
	2021	2020
	\$000	\$000
Not past due	464,920	403,330
Past due 0-30 days	15,422	13,470
Past due 31-120 days	212	5,039
More than 120 days	4,976	363
	485,530	422,202
	485,530	422,202

Notes (continued)

26 Financial and capital risk management (continued)

26 (b) Liquidity risk

Liquidity risk is the risk that Concord will not be able to meet its financial obligations as they fall due. Conservative liquidity management requires sufficient cash and cash equivalents to meet future financial obligations. Concord manages liquidity to an internal limit which is required to be met at all times. The following are the contractual maturities of financial liabilities, including estimated effective interest payments and excluding the effect of netting agreements (note that Company only amounts have not been presented as they are identical to Group numbers except for small differences on trade payables of US\$16K):

	Group				
	Due after 5 years \$000	Due 2 - 5 years \$000	Due 1 - 2 years \$000	Due 0 - 1 year \$000	Total \$000
Borrowings	-	-	-	1,226,698	1,226,698
Shares classified as debt (redemption option)	-	106,965	50,551	8,966	166,481
Lease obligations	-	970	975	900	2,844
Trade payables	-	-	-	148,843	148,843
Other financial liabilities	-	-	5,420	110,765	116,184
Total at 31 December 2021	-	107,934	56,945	1,496,171	1,661,050

	Group				
	Due after 5 years \$000	Due 2 - 5 years \$000	Due 1 - 2 years \$000	Due 0 - 1 year \$000	Total \$000
Borrowings	-	-	-	1,063,341	1,063,341
Shares classified as debt (redemption option)	-	103,024	42,382	6,642	152,048
Lease obligations	190	1,378	545	407	2,520
Trade payables	-	-	-	143,813	143,813
Other financial liabilities	-	-	3,535	60,407	63,941
Total at 31 December 2020	190	104,402	46,462	1,274,609	1,425,663

The carrying value of financial liabilities is equal to the contractual cash flows shown above, with the exceptions of shares classified as debt and lease obligations which have carrying values of US\$137,386K and US\$2,844K (2020: US\$124,707K and US\$2,323K) respectively.

26 (c) Currency risk

The Group's functional currency is United States Dollars (USD) and transactions denominated in currencies other than USD may be actively hedged using foreign exchange (FX) forward and swap contracts to mitigate the risk of loss from movement in exchange rates. Debt financing transactions are predominately denominated in USD and the exit market for the key commodities Concord trades in is USD. Accordingly, foreign exchange movements against the USD on transactions will have an immaterial financial impact.

	Group and Company			
	Notional 2021 \$000	Fair value 2021 \$000	Notional 2020 \$000	Fair value 2020 \$000
Cross currency swaps – liabilities	182,931	2,732	126,797	2,426
Total at 31 December	182,931	2,732	126,797	2,426

Notes (continued)

26 Financial and capital risk management (continued)

26 (c) Currency risk (continued)

The major currencies that Group has exposure to are Renminbi (CNY), Euros (EUR) and British Pound Sterling (GBP). The average exchange rates against USD in the year were CNY/USD 0.155 (2020: 0.145) EUR/USD 1.183 (2020: 1.142) and GBP/USD 1.376 (2020: 1.284). The Group's exposure to foreign currency risk is as follows. This is based on the carrying amount for monetary financial instruments except derivatives when it is based on notional amounts:

	Group			
	Renminbi \$000	Euro \$000	Sterling \$000	Total \$000
Cash and cash equivalents	451	4,845	424	5,720
Trade receivables	-	83,249	3,563	86,812
Trade payables	-	(5,153)	-	(5,153)
Forward exchange contracts	4	(114,346)	15,553	(98,789)
Other payables and receivables	2,241	(96)	(1,325)	820
	<hr/>	<hr/>	<hr/>	<hr/>
Balance sheet exposure	2,696	(31,501)	18,215	(10,590)
Estimated forecast sales	-	38,096	1,635	39,731
Estimated forecast purchases	-	(1,867)	-	(1,867)
	<hr/>	<hr/>	<hr/>	<hr/>
Net exposure at 31 December 2021	2,696	4,728	19,850	27,274

	Group			
	Renminbi \$000	Euro \$000	Sterling \$000	Total \$000
Cash and cash equivalents	922	5,603	165	6,690
Trade receivables	-	52,853	213	53,066
Secured bank loans	-	-	-	-
Trade payables	-	(340)	(19)	(359)
Forward exchange contracts	994	(79,312)	6,366	(71,952)
Other payables and receivables	1,352	(167)	(6,152)	(4,967)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance sheet exposure	3,268	(21,363)	573	(17,522)
Estimated forecast sales	-	33,370	3,111	36,481
Estimated forecast purchases	-	(372)	-	(372)
	<hr/>	<hr/>	<hr/>	<hr/>
Net exposure at 31 December 2020	3,268	11,635	3,684	18,587

Sensitivity analysis

A 1% percent weakening of the following currencies against the US Dollar at 31 December would have increased equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant.

	Group	
	Equity \$000	Profit or loss \$000
Euro	47	47
Sterling	198	198
Renminbi	27	27

Notes *(continued)*

26 Financial and capital risk management *(continued)*

26 (c) Currency risk *(continued)*

The Company's exposure to foreign currency risk is as follows. This is based on the carrying amount for monetary financial instruments except derivatives when it is based on notional amounts:

	Renminbi \$000	Company		Total \$000
		Euro \$000	Sterling \$000	
Cash and cash equivalents	377	4,824	424	5,625
Trade receivables	-	83,249	3,563	86,812
Secured bank loans	-	-	-	-
Trade payables	-	(5,153)	-	(5,153)
Forward exchange contracts	4	(114,346)	15,553	(98,789)
Other payables and receivables	1	6	(1,325)	(1,318)
Balance sheet exposure	382	(31,420)	18,215	(12,823)
Estimated forecast sales	-	38,096	1,635	39,731
Estimated forecast purchases	-	(1,867)	-	(1,867)
Net exposure at 31 December 2021	382	4,809	19,850	25,041

	Renminbi \$000	Company		Total \$000
		Euro \$000	Sterling \$000	
Cash and cash equivalents	165	5,603	165	5,933
Trade receivables	-	52,853	213	53,066
Secured bank loans	-	-	-	-
Trade payables	-	(340)	(19)	(359)
Forward exchange contracts	994	(79,312)	6,366	(71,952)
Other payables and receivables	1	(167)	(6,152)	(6,318)
Balance sheet exposure	1,160	(21,363)	573	(19,630)
Estimated forecast sales	-	33,370	3,111	36,481
Estimated forecast purchases	-	(372)	-	(372)
Net exposure at 31 December 2020	1,160	11,635	3,684	16,479

A 1% percent weakening of the following currencies against the US Dollar at 31 December would have increased equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

	Company	
	Equity \$000	Profit or loss \$000
Euro	48	48
Sterling	198	198
Renminbi	4	4

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant.

Notes (continued)

26 Financial and capital risk management (continued)

26 (d) Interest rate risk

Concord is exposed to different risks with regards to fluctuations in market interest rates for both assets and liabilities. Interest rate risk is predominately hedged through matching, as much as possible, the floating element of financing charges to customers against the financing liability. Market rates of interest are considered when concluding transaction pricing terms.

Floating rate debt facilities used to finance short term working capital requirements include either a margin linked to US dollar LIBOR or EURIBOR plus a fixed premium or a floating internal charge for the financial institution plus a fixed premium.

Sensitivity analysis

A change of 50 basis points in interest rates at the balance sheet date would have increased (decreased) equity and pre-tax profit or loss by US\$6.8m (2020: US\$5.2m). This calculation assumes that the change occurred at the balance sheet date and had been applied to floating rate liabilities existing at that date (excludes the sensitivity impact from any offsetting market interest rate movements for fair value hedges).

26 (e) Capital management

Concord actively manages its capital structure to ensure that a robust position is maintained to support future business requirements and developments for the benefit all stakeholders. The approach to capital management requires strict management and adherence to financial covenants whilst maintaining financial flexibility and a competitive cost of capital. Distribution of cash to shareholders is subject to the Shareholder Agreement and Board discussion.

27 Commitments

Concord has not entered into any material unrecognised contractual commitments.

28 Contingent liabilities

There are currently no corporate guarantees in place or litigation claims pending against Concord.

Concord reviews its liabilities for all assessable tax years open to audit using the latest information available. Concord records the best estimate of the tax liabilities for all jurisdictions where it is deemed to have a permanent establishment. Uncertainty is present when estimating tax liabilities due to the complexity of international tax legislation and the subsequent interpretation required. Future results may be impacted by favourable or unfavourable adjustments in periods of resolution of assessments.

29 Related parties

Total purchases with Pala Investments Limited, who hold an investment in Concord and have a Director on the Board during the year were US\$2.3m (2020: US\$nil) and total sales during the year were US\$nil (2020: US\$nil). Total payable balance as at 31 December 2021 was US\$0.7m (2020: US\$0.7m).

Purchase and sale contracts were also entered into with Sienna Metals LLP, a subsidiary of Pala Investments Limited, which was created due to a business transfer from Sienna Metals Holdings Limited (Previously named Cobalt27 Capital Corp). Total purchases during the year were US\$35.3m (2020: a credit of US\$(3.7m)) and total sales during the year were US\$24.0m (2020: US\$nil). Total payable balance as at 31 December 2021 was US\$2.6m (2020: US\$2.6m).

Long term purchase contracts exist (expiring in December 2024) and short term contracts with ATALCO Gramercy LLC (previously know as Gramercy Holdings LLC), a subsidiary of Atlantic Alumina Company LLC whom Concord Resources Holdings Limited owns a majority investment in. Total purchases during the year were US\$193.1m (2020: US\$188.4m). Net income from financially settling swaps with ATALCO Gramercy LLC during the year was US\$2.7m (2020: US\$0.3m). Total payable balance as at 31 December 2021 was US\$nil (2020: payable balance US\$4.0m).

Notes (continued)

29 Related parties (continued)

As at 31 December 2021 Concord Resources Limited had a loan receivable balance from ATALCO LLC, a subsidiary of Atlantic Alumina Company LLC whom Concord Resources Holdings Limited owns a majority investment in, of US\$0.1m (2020: US\$nil). This loan is not interest bearing so there was no interest charged during the year.

At 31 December 2021 Concord Resources Limited had a loan receivable balance from its ultimate parent, Concord Resources Holdings Limited, of US\$31.3m (2020: US\$nil). This loan is repayable on demand and no interest was charged during the year.

At 31 December 2021 Concord Resources Limited had a loan receivable balance from Concord Resources International Minerals Limited, a sister company whose ultimate parent is Concord Resources Holdings Limited, of \$23.3m (2020: US\$nil). This loan is repayable on demand and no interest was charged during the year. During the year Concord Resources Limited transferred its investment in NICHE European Holdings LLC and Atlantic Alumina Company LLC to Concord Resources International Minerals Limited at book value.

At 31 December 2021 Concord Resources Limited had a loan receivable balance from Atlantic Alumina Company LLC, a company whose ultimate parent is Concord Resources Holdings Limited, of US\$24.9m (2020: US\$nil). This loan bears interest at 6% per annum. Interest expense of US\$0.7m (2020: US\$nil) has been charged during the year.

Remuneration of key management personnel

The remuneration of Directors and other members of key management personnel recognised in the consolidated statement of income including salaries and other current employee benefits amounted to US\$8,730k (2020: US\$5,931k). Further detail on remuneration of directors are set out in note 6.

Parent and ultimate controlling party

The immediate parent and ultimate controlling party of the Company is Concord Resources Holdings Limited, a company incorporated in Bermuda with registered number 54995 and registered address of Park Place, 55 Par La Ville Road, Hamilton, Bermuda HM11. The financial statements of Concord Resources Holdings Limited are not made available for public use and therefore the largest group for which consolidated financial statements are prepared for public use are the accounts of Concord Resources Limited.

30 Subsequent events

At 31 December 2021, Concord Resources Europe B.V, a subsidiary of Concord Resources Limited, had a 33.34% equity investment in Niche Fusina Rolled Products S.r.l, a company that subsequently purchased the assets of Slim Fusina Rolling S.r.l through an Italian Court governed administration process. On 24 March 2022, Concord Resources Europe B.V was part of a capital raise to complete the acquisition through which it invested a further €1.731m via a debt for equity swap. Due to third party investors in this capital raise our percentage holding had been diluted to 17.34%.