Global Resources Investment Trust plc

Annual Report and Financial Statements

For the Year Ended
31 December 2020

Registered Number: 8256031

Registered Number	8256031
Registered Office	80 Cheapside London EC2V 6EE
Auditor	PKF Littlejohn LLP 15 Westferry Circus London E14 4HD
Directors	Martin Lampshire James Normand Stephen Roberts
Secretary and Administrator	Peterhouse Capital Limited 3rd Floor 80 Cheapside London EC2V 6EE
Sponsor and Financial Adviser	Beaumont Cornish Limited Building 3 566 Chiswick High Road London W4 5YA
Corporate Broker	Peterhouse Capital Limited 80 Cheapside London EC2V 6EE
Registrars	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 BAE
Website	www.grinvestmenttrust.com

Introduction

It is less than three months since the publication of my statements in the 2019 Annual Report and in the 2020 Interim Statement. As a result, this statement is rather more abbreviated than usual.

Investments

The Company's principal investment remains its 25% equity interest in and loans to Anglo-African Minerals plc ("AAM"). TerraCom Limited, which announced in February 2020 that it had entered into a 'Binding Termsheet' for the purchase of AAM, has been prevented by the coronavirus from completing its due diligence process. Nevertheless, TerraCom's interest has not diminished and is referred to in TerraCom's latest quarterly report, which can be found at:
terracomresources.listedcompany.com/newsroom/20210503_2924-02370309-2A1295712.pdf.

Because of the long history of failed attempts to realise value from the Company's investment in AAM, we continue to adopt a prudent view and to reflect the Company's investment in and loans to AAM at a nil value.

Siberian Goldfields Limited was entirely dormant throughout the year under review but, as reported in the 2019 Annual Report, in early 2021 the Company received and subsequently accepted an offer for its shares in Siberian Goldfields (see note 13 to the financial statements). The capital surplus of £488,000 resulting from this sale will be recognised in the 2021 financial statements.

Net Assets

At 31 December 2020 your Company had net liabilities equivalent to 2.14 pence per share, a deterioration of 123% from the 0.96p per share at which the Company's net assets stood at 31 December 2019.

Board of Directors

There were no changes to the membership of the Board of directors during 2020.

Creditors

As I did in the 2019 Annual Report, I should like to pay tribute to creditors, who, recognising the Company's predicament, took a pragmatic view and agreed to defer settlement in whole or in part in order to allow the Company the opportunity to realise the value of its investments, in the expectation that this will permit full settlement of the Company's indebtedness to them. This stance was also taken by your Board. Until the declaration of a first dividend by the CVA Supervisor in May 2021, none of the Directors had received any remuneration since October 2019.

In November 2020 it became clear to the Board that the sale of the Company's shares in AAM and the repayment by AAM of its loan from GRIT was unlikely to take place for the foreseeable future. Accordingly, the Board proposed a Creditors' Voluntary Arrangement ('CVA') (described fully in the circular to shareholders dated 3 December 2020).

Simultaneously the Board re-negotiated the terms of a placing first arranged in June 2020 to raise £125,893 from the issue of new shares and a further £100,000 in the form of Convertible Loan Notes. Creditors and shareholders approved the CVA and the issue of the shares at meetings on 21 December 2020 and the funds were received in early 2021.

The sale of the Company's shares in Siberian Goldfields completed in April 2021, thus augmenting the funds available to the CVA Supervisor and enabling him to pay a dividend of 76% of the amounts due to the creditors which are the subject of the CVA. This means that those creditors that the current Board assumed when appointed in August 2019 have now been settled 84% of the amounts due to them at that time.

Outlook

As I noted in my last report, the Company remains committed to its investment policy in the natural resources sector, which is having a resurgence, driven by macro-economic factors supporting the gold price, combined with the needs for metals such as copper and lithium by the ever-increasing market for electric and hybrid 'powertrains' in the automotive industry in place of pure hydrocarbon combustion engines.

The Company has secured equity funding of a minimum of £500,000, conditional only on the lifting of the suspension in trading of the Company's shares. The publication of this Annual Report and associated financial statements should enable this; following which GRIT will be ready to begin a new chapter of its existence.

James Normand

James Normand
Chairman

20 July 2021

MCB Resources Limited

MCB Resources Limited ("MCB") is a copper/gold exploration company, previously active on the Pacific island of Bougainville. The Company has a residual holding of 500,000 ordinary shares in MCB. MCB has experienced intractable problems with resuming its exploration activity and, its listing on the ASX was cancelled on 26 February 2021 because it had failed to pay its annual listing fee. Accordingly, full provision has been made in these financial statements against the £28,000 at which these shares were previously reflected in the Company's balance sheet.

Anglo-African Minerals plc

Anglo-African Minerals plc ("AAM") is an unlisted advanced mineral exploration company, incorporated in Ireland, focused on the progression of its bauxite mining projects located in the Republic of Guinea, which hosts two-thirds of the world's bauxite. Bauxite is the composite material that contains alumina, which is the feedstock for aluminium. As already explained in the Chairman's Statement, AAM is currently in advanced discussions for the sale of the company to TerraCom Limited (as announced in February 2020).

However, due to the coronavirus pandemic, there has been a delay in the due diligence process resulting from the inability to complete a Guinea mine site visit. While there is no certainty on the exact timing of this transaction, discussions between AAM and TerraCom Limited continue and, we understand, remain positive. In the light of the continuing uncertainties, the Company has, in the interests of accounting prudence, continued to make full provision against both its investment in AAM's shares and its loans to AAM.

Siberian Goldfields Limited

Siberian Goldfields Limited ("SGL") is a private gold development company, incorporated in the UK, which is looking to develop and bring into production its wholly-owned Zhelezny Kryazh Project ("ZK"), a gold/iron ore project located in the prospective mineral region of Eastern Siberia.

Early in 2021 the Company received and accepted an offer for its shares in SGL. The resultant surplus from the sale, amounting to £488,000, which have been used by the CVA Supervisor to make an interim payment to creditors, will be reflected in the 2021 financial statements.

Introduction

This review is part of the Strategic Report being presented by the Company under updated guidelines for UK-listed companies' Annual Reports in accordance with the Companies Act 2006; and is designed to provide information primarily about the Company's business and results for the twelve months to 31 December 2020. It should be read in conjunction with the Chairman's Statement on pages 3 and 4, which provides a detailed review of the investment activities for the period and outlook for the future.

Global Resources Investment Trust plc ("GRIT" or "the Company") is an investment trust established to seek to exploit investment opportunities in the junior mining and natural resource sectors. On 7 March 2014, GRIT conducted a share exchange issue through which it acquired an initial portfolio in return for the issue of ordinary shares. The initial portfolio comprised 41 companies and had an aggregate value of £39,520,012 based on the share exchange valuation and, pursuant to the share exchange issue, 39,520,012 ordinary shares were issued (credited as fully paid up) and were admitted to trading on the London Stock Exchange's main market.

At launch, GRIT raised £4,850,000 through the issue of 9% Convertible Unsecured Loan Stocks, which have since been redeemed.

Business model

Global Resources Investment Trust is a self-managed investment trust run by its Board, which takes all major decisions collectively.

Investment objective

GRIT's investment objective is to generate medium and long-term capital growth through investing in a diverse portfolio of primarily small and mid-capitalisation natural resources and mining companies, which are listed/quoted on a relevant exchange.

Investment policy

GRIT's investment policy is to diversify its investments across a number of companies, with a range of natural resource assets, in jurisdictions globally. There are no restrictions as to the commodity classes and geographical regions into which GRIT may invest. However, GRIT will invest and manage its assets in a way which is consistent with its objective of spreading risk. GRIT will adhere to the following investment restrictions:

- GRIT may invest up to only 60 per cent. of its Gross Asset Value (at the time of investment) in non-quoted, seed capital or pre-IPO companies provided that at any one time such new investments above a 15 per cent. limit will not be in more than two companies, with an emphasis in such instances on potentially large-scale assets that all have the ability to be brought into production in the succeeding years;
- GRIT will invest no more than 40 per cent. of its Gross Asset Value in any one company (measured at the time of investment) provided that at any one time such new investments above a 15 per cent limit will not be in more than two companies, with an emphasis in such instances on potentially large-scale assets that also have the ability to bring them to production in the succeeding years;
- GRIT will not take legal or management control over investments in its portfolio;
- GRIT will invest no more than 10 per cent., in aggregate, of its Gross Asset Value in other listed closed-ended investment funds;
- Distributable income (if any) will be principally derived from investments. GRIT will not conduct a trading activity which is significant in the context of the activities of GRIT as a whole;
- GRIT will not enter into derivative transactions for speculative purposes. GRIT does not expect to enter into any hedging transactions, although it may do so for the purposes of efficient portfolio management and to hedge against exposure to changes in currency rates to the full extent of any such exposure;
- GRIT will not incur any debt beyond such amount that is covered four times by the gross value of its investments at the time of incurring such debt (i.e. a "4 to 1 cover ratio");
- GRIT will manage the overall portfolio to ensure that there is a spread of investments to provide diversification, with a target of having between 4 and 8 different investments at any one time;
- GRIT will hold any uninvested funds in cash, cash equivalents or other liquid instruments, with a view to maximising the returns on any such funds.

Going Concern and Outlook

As a result of the Company's operations being cash flow negative since its inception, the Company has been required to dispose of investment portfolio assets to generate the cash needed to finance its operational costs. The CVA has removed from the Company's balance sheet creditors amounting to approximately £837,000. At the same time the Company raised new equity funding totalling £226,000; with further commitments of £500,000, conditional only on the lifting of the suspension in trading in the Company's shares. On the strength of this the Board has adopted a going concern accounting basis for these financial statements.

Principal Risks and Uncertainties and Risk Mitigation

The sole objective of the retiring management team has been to realise the value of the Company's remaining investments and to minimise its administration expenses, with a view to restoring liquidity to the Company and enabling it to re-set and re-launch itself as an active Investment Trust.

A conventional report on risks and uncertainties and their mitigation; on performance; and on Social, Community, Employee Responsibilities and Environmental Policy is, therefore, inappropriate to the Company's current position.

The financing arrangements put in place by the Board have created the conditions for a fresh start for the Company. The lifting of the suspension of trading in the Company's shares is now the only action required for this fresh start to commence.

Viability Statement

Normally the Board would have considered a longer-term viability in excess of the going concern period. However, this is not currently considered relevant given the liquidity position, as disclosed in the Going Concern and Outlook section above, whereby further funds will be required to finance future trading opportunities.

Section 172 Statement

The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:

- consider the likely consequences of any decision in the long term;
- act fairly between the members of the Company;
- maintain a reputation for high standards of business conduct;
- consider the interests of the Company's employees;
- foster the Company's relationships with suppliers, customers and others; and
- consider the impact of the Company's operations on the community and the environment.

The Company's operations and strategic aims are set out throughout the Strategic Review and in the Chairman's Statement, and relationships with shareholders are also dealt with in the Statement of Corporate Governance.

By Order of the Board

Peterhouse Capital Limited
Secretary

20 July 2021

All of the Directors are non-executive and independent. The Board fulfils the functions of the Nomination Committee and of the Audit Committee. The Board maintains overall control over the formulation of Company's investment policy and has overall responsibility for the Company's activities.

The Directors who held office during the year and up to the date of signing the financial statements were as follows:

Martin Lampshire
James Normand
Stephen Roberts

Martin Lampshire
Independent Executive Director

Experience: 20 years as a corporate broker in the smaller companies' market, working primarily in London but also in Hong Kong, Singapore and Dubai. Currently a non-executive director of ValiRx plc and (since 28 April 2021) of Boston International Holdings plc. Until 13 May 2021 Martin was also a non-executive director of Cizzle Biotechnology Holdings PLC.

Remuneration: £40,000 p.a.

Shared Directorships with any other Trust Directors: None.

Shareholding in Company: None.

James Normand
Independent Non-Executive Chairman

Experience: Chartered Accountant, 45 years in the City, previously Finance Director of Pathfinder Minerals plc (AIM-listed), currently non-executive Chairman of All Active Asset Capital Limited and a Director of Vela Technologies plc and a non-executive Director of Ridgecrest plc (all AIM-listed).

Remuneration: £35,000 p.a.

Shared Directorships with any other Trust Directors: None.

Shareholding in Company: None.

Stephen Roberts
Independent Non-Executive Director

Experience: Former board positions include: Chairman of Xtrabio B.V., Non-executive Director of Mining Investment Resources Plc and Director of Grand Group plc China. Steve had a career in M&A and advisory assignments in various sectors. He was previously a senior member of the corporate finance teams at a number of City-based brokers including Fairfax, Evolution Securities, Collins Stewart and Charterhouse Securities.

Remuneration: £30,000 p.a.

Shared Directorships with any other Trust Directors: None.

Shareholding in Company: None.

The Directors present their Annual Report and the audited financial statements for the year ended 31 December 2020.

Results

The Company had no income in the period under review; and incurred costs of £466,000 (2019 - £589,000). Additionally the Company made provision for the diminution in value of its investments of £28,000 (2019 - £1,248.000).

Principal Activity and Status

The Company is registered as a public limited company in terms of the Companies Act 2006 (number: 8256031). It is an investment company as defined by Section 833 of the Companies Act 2006. It carries on the business of an investment trust and has been approved as such by HM Revenue & Customs. The Company's shares are eligible for inclusion in a New Individual Savings Account ('NISA').

Capital Structure

As at 31 December 2020 there were 41,962,512 ordinary shares of one penny each in issue. The ordinary shares give shareholders the entitlement to all of the capital growth in the Company's net assets and to all the Company's income that is resolved to be distributed.

Substantial Interests in Share Capital

At 16 July 2021, the only persons known to the Company who, directly or indirectly, were interested in 3 per cent or more of the Company's issued share capital were as follows:

Ordinary shares	Number held	% held
Philip J Milton	12,738,840	30.3
Mardassa Nominees Pty Limited	12,461,896	29.7
Gledhow Investments plc	4,668,132	11.1
Armstrong Investments Ltd	3,000,000	7.1

Some of the shareholdings listed above refer to funds managed on behalf of clients of the groups named.

Financial Statements

The Directors' responsibilities regarding the financial statements and safeguarding of assets are set out on page 11.

Annual General Meeting

A notice of the Annual General Meeting will be posted to shareholders in due course.

Directors' Remuneration Policy and Report

Among the resolutions to be put to the Annual General Meeting as ordinary business will be one approving the Directors' Remuneration Policy. This vote is binding. It is also mandatory for listed companies to put their Directors' Remuneration Report to an advisory shareholder vote.

Induction and Training

New Directors appointed to the Board are required to have an understanding of the Company pre-dating their appointment, which is deepened and expanded through individual discussion and contact with the other Directors and, in particular, participation at Board meetings. Relevant training is available to Directors as required.

Statement Regarding Annual Report and Accounts

Following a detailed review of the Annual Report and Accounts by the Board (acting as the Audit Committee), the Directors consider that, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy. In reaching this conclusion, the Directors have assumed that the reader of the Annual Report and Accounts has a reasonable level of knowledge of the investment industry in general and investment trusts in particular.

Disclosure of Information to the Auditor

The Directors confirm that, so far as each of the Directors is aware, there is no relevant information of which the Company's auditors are unaware and the Directors have taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditor

PKF Littlejohn LLP has indicated its willingness to continue in office. The Directors will place a Resolution before the Annual General Meeting for the reappointment of PKF Littlejohn LLP as independent auditor of the Company for the ensuing year and to authorise the Directors to determine its remuneration.

Continuation Vote

In accordance with the Articles of Association an ordinary resolution will be proposed at the Annual General Meeting for the Company to continue as an investment trust.

Directors' Authority to Allot Shares

The Directors will be seeking authority to allot shares. A resolution will, if passed at the Annual General Meeting, authorise the Directors to allot (and grant subscription and conversion rights over) new shares following the completion of the placing on the lifting of the suspension of trading in the Company's shares expected following the publication of the Annual Report.

A resolution will, if passed at the Annual General Meeting, renew the Directors' existing power to make limited allotments of shares for cash other than according to the statutory pre-emption rights which require all shares issued for cash to be offered first to all existing shareholders. This power applies to the allotment of (and grant of subscription and conversion rights over) shares following the completion of the placing on the lifting of the suspension of trading in the Company's shares; and otherwise in connection with an offer to holders of ordinary shares in proportion to their existing shareholdings, but subject to exclusions and other arrangements the Directors may consider necessary.

A further resolution will allow the sale of treasury shares for cash, on the same basis, without offering such shares first to all existing shareholders. These authorities will continue in effect until the earlier of 15 months from the date the resolutions are passed and the conclusion of the Annual General Meeting in 2022.

Directors' Authority to Buy Back Shares

The Company did not purchase any shares for cancellation or to hold in treasury during the year.

A further resolution will seek renewal of the Company's buy-back authority. The renewed authority to make market purchases will be in respect of a maximum of 14.99 per cent of the issued ordinary shares of the Company on the date of the passing of the resolution. The price paid for the shares will not be less than the nominal value of 1p per share nor more than the higher of (i) 5 per cent above the average middle market value of those shares for the five business days before the shares are purchased and (ii) the higher of the last independent trade and of the highest current independent bid for any number of the Company's ordinary shares on the trading venue where the purchase is carried out. This power will only be exercised, if, in the opinion of the Directors, a purchase would result in an increase in net asset value per share and be in the interests of the shareholders as a whole. Any shares purchased under this authority will be cancelled or held in treasury. The Directors have no current intention of utilising this authority. This authority will expire at the earlier of 15·months from the date the resolutions were passed and the conclusion of the Annual General Meeting of the Company.

By Order of the Board

Peterhouse Capital Limited
Secretary

20 July 2021

The Directors are responsible for preparing the Annual Report and the Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Company financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law and have elected to prepare the financial statements on the same basis.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. In preparing the 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 international accounting standards in conformity with the Companies Act 2006;
- assess the 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 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility Statement of the Directors in respect of the Annual Financial Report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the strategic report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face.

We consider the annual report and accounts, taken as a whole, are fair, balanced and understandable; and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

On behalf of the Board

James Normand
Chairman

20 July 2021

Introduction

The UK Listing Authority requires all listed companies to describe how they have complied with the principles of the UK Corporate Governance Code 2016 (the 'UK Governance Code'). which is available on the Financial Reporting Council's website: www.frc.org.uk. The UK Governance Code covers in particular the annual re-appointment of Directors, Board diversity, external evaluation, the Board's responsibilities in relation to risk, and a clear explanation of business model and strategy.

The Association of Investment Companies also published a Code of Corporate Governance, which is available on the AIC's website: www.theaic.co.uk. The AIC Code addresses all of the principles set out in Section 1 of the UK Governance Code as well as setting out additional principles and recommendations on issues that are of specific relevance to investment companies. The Company has adopted the 2019 AIC Code.

Application of the Principles of the Codes

The Company has complied with the provisions of the AIC Code and the UK Governance Code, except for the UK Governance Code provisions relating to:

- the role of the chief executive;
- executive Directors' remuneration; and
- the need for an internal audit function.

As indicated by the AIC Code, the above exceptions are not believed to be applicable to a self-managed investment company.

The Board

The Board consists of two non-executive Directors and one executive Director, all of whom are regarded as independent. Mr Normand is Chairman and is responsible for leadership of the Board and ensuring its effectiveness on all aspects of its role.

There are no relationships or circumstances which the Board considers likely to affect the judgement of the independent Directors.

The Board takes the view that independence is not compromised by length of tenure and that experience and continuity can add significantly to the Board's strength.

Since taking office the current Board has operated as a three-man team; and virtually all actions taken and decisions made have followed consultation between all the members of the Board.

There is an agreed procedure for Directors to take independent professional advice if necessary and at the Company's expense.

Nomination Committee

There have been no appointments to the Board since the current members took office in 2019. Accordingly, since then there has been no cause to form a Nominations Committee nor has one met.

Stewardship Code

The Financial Reporting Council (‘FRC') published The UK Stewardship Code·(‘Code’) for institutional shareholders on 2 July 2010. The purpose of the Code is to enhance the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and the efficient exercise of governance responsibilities.

The FRC is encouraging institutional investors to make a statement of their commitment to the Code.

None of GRIT’s investee companies has held a shareholders’ meeting during the period under review and so there has been no occasion for votes to be cast. Nevertheless, the Board has been in active consultation with members of the Board of GRIT’s only active investee company, Anglo-African Minerals plc, particularly in view of its successive attempts to find a purchaser for the whole of its issued share capital.

Relations with Shareholders

The Directors place a great deal of importance on communication with shareholders. The Annual Report and Accounts are widely distributed to other parties who have an interest in the Company's performance. Shareholders and investors may obtain up-to-date information on the Company through the Company's website. The Company responds to letters from shareholders on a wide range of issues.

A regular dialogue is maintained with the Company's principal shareholders. Reference to significant holdings in the Company's ordinary shares can be found under 'Substantial Interests' on page 9.

All shareholders have the opportunity to put questions to the Board at the Company's Annual General Meeting. The Company Secretary is available to answer general shareholder queries at any time throughout the year.

By Order of the Board

Peterhouse Capital Limited
Secretary

20 July 2021

Composition of the Audit Committee

Because, during the period under review, the activity of the Company has been confined to attempting the sale of its remaining investments, there has been no cause to form or convene an Audit Committee.

Review of Auditor

As part of its review of the scope and results of the audit, during the year the Board considered and approved PKF Littlejohn LLP's plan for the audit of the financial statements for the year to 31 December 2020. PKF Littlejohn LLP issued an unqualified audit report which is included on pages 18 to 22.

No non-audit services have been provided by PKF Littlejohn LLP in the year.

As part of the review of auditor independence and effectiveness, PKF Littlejohn LLP has confirmed that it is independent of the Company and has complied with relevant auditing standards. In appointing PKF Littlejohn LLP, the Board (in the absence of an Audit Committee) took into consideration the standing, skills and experience of the firm and the audit team; and remains satisfied that PKF Littlejohn LLP continues to provide effective independent challenge in carrying out its responsibilities.

Audit Tenure

Following professional guidelines, the audit Responsible Individual rotates after five years. The current Responsible Individual is in the second year of his appointment. PKF Littlejohn LLP was appointed auditor in 2020 for the 2019 financial statements and the Board recommends its continuing appointment. PKF Littlejohn LLP's performance will continue to be reviewed annually, taking into account all relevant guidance and best practice.

Internal Controls

The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness. Following publication of the Financial Reporting Council's 'Internal Control: Revised Guidance for Directors on the Combined Code' (the 'FRC guidance') the Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place for the year under review and up to the date of approval of this Annual Report and is regularly reviewed by the Board and accords with the FRC Guidance.

The Board has reviewed the effectiveness of the system of internal control. In particular, it has overseen the process for identifying and evaluating the significant risks affecting the Company and policies by which these risks are managed. The significant risks faced by the Company are as follows:

- investment and strategy; market;
- liquidity; sector; earnings;
- financial sustainability; operational; and regulatory.

The key components designed to provide effective internal control are outlined below:

- Peterhouse Capital Limited ('Peterhouse') as Company Secretary and Administrator prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its performance;
- the Board has agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations are reviewed regularly by the Board;
- written agreements are in place which specifically define the roles and responsibilities Board and, where applicable, other third-party service providers;
- the Board has considered the need for an internal audit function but, given the limited nature of the activities during the year, this was concluded as not currently required. This will continue to be reviewed in the future.

Internal Controls (continued)

Internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against mis-statement and loss.

The principal risks and uncertainties affecting the Company are disclosed on page 7.

James Normand
Chairman of the Board of Directors

20 July 2021

Remuneration Committee

For the same reasons that there is not currently an Audit Committee, neither is there a Remuneration Committee.

The Board has prepared this report in accordance with the requirements of Section 421 of the Companies Act 2006. An ordinary resolution for the approval of this Report will be put to the members at the forthcoming Annual General Meeting. This Report has been divided into separate sections for unaudited and audited information.

Policy on Directors' Remuneration

The Board's policy is that the remuneration of Directors should reflect the experience of the Board as a whole and be comparable to that of other relevant investment trusts that are similar in size. Moreover, the level of remuneration should be sufficient to attract and retain the Directors needed to oversee properly the Company and to reflect the specific circumstances of the Company, the duties and responsibilities of the Directors and the value and amount of time committed to the Company's affairs. The fees for the Directors are determined within the limits set out in the Company's Articles of Association. The present limit is £200,000 per annum in aggregate and the approval of shareholders in a general meeting would be required to change this limit. At the prevailing level of Directors' fees, the aggregate amount payable to the Company's Directors during the year to 31 December 2020 was £181,125. Non-executive Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits.

New independent Directors are provided with a letter of appointment. Any Director who has served on the Board for more than nine years will offer himself for re-election annually. The requirements for the retirement of Directors are also contained in the Company's Articles of Association. There is no notice period and no provision for compensation upon early termination of appointment.

The terms of Directors' appointments provide that Directors are obliged to retire by rotation and to offer themselves for re- election by shareholders at least every three years after that.

Director	Date of appointment	Due date for re-election
Martin Lampshire	30 August 2019	AGM 2021
James Normand	30 August 2019	AGM 2021
Stephen Roberts	30 August 2019	AGM 2021

Annual Report on Directors' Remuneration

Directors' Emoluments (audited)

The Directors who served in the twelve months to 31 December 2020 (and, for comparative purposes those who served in the twelve months ended 31 December 2019) were awarded the following fees.

	2020			2019		
Name	Standard fee	Additional contracted services	Total	Standard fee	Additional contracted services	Total
James Normand	35,000	27,000	62,000	11,667	12,000	23,667
Martin Lampshire	40,000	33,000	73,000	13,333	6,000	19,333
Stephen Roberts	30,000	16,125	46,125	10,000	31,500	41,500
Simon Farrell	-	-	-	20,000	-	20,000
Haruko Fukuda	-	-	-	18,333	-	18,333
David ('Sam') Hutchins	-	-	-	18,333	-	18,333

As at 31 December 2020 a significant proportion of these fees remained unpaid, as follows:

James Normand	£79,833
Martin Lampshire	£89,000
Stephen Roberts	£82,708

The Company has not been able to obtain Directors' and Officers' liability insurance.

Directors' Interests

Biographies of the Directors are shown on page 8.

No Directors who held office during the year held ordinary shares or convertible loan stock in the Company as at 31 December 2020 or 31 December 2019.

There has been no change in the ordinary share holdings of the Directors from 31 December 2020 up to the signing date.

Voting at Annual General Meeting

An ordinary resolution for the approval of this Directors' Remuneration Report will be put to an advisory shareholder vote at the forthcoming Annual General Meeting.

An ordinary resolution for the approval of the Directors' Remuneration Policy will be put to a binding shareholder vote at the forthcoming Annual General Meeting.

Approval

The Directors' Remuneration Report on pages 16 and 17 was approved by the Board of Directors and signed on its behalf on 20 July 2021.

James Normand

James Normand
Chairman of the Board of Directors

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL RESOURCES INVESTMENT TRUST PLC

Opinion

We have audited the financial statements of Global Resources Investment Trust Plc (the 'company') for the year ended 31 December 2020 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet and the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included a review of the cash flow forecasts produced by the directors, incorporating the funds raised subsequent to the year-end. The review included challenge of the key assumptions contained within the forecast with a focus on the projected contracted and committed costs for 12 months following the signing of the financial statements, together with the proposed fund raising following the signing of the financial statements and re-admission of shares to trading.

In respect of the costs, we have reviewed the cost base based on our knowledge of the costs in the current year and knowledge over long term fee arrangements derived from our audit. We have obtained confirmation that the company has received unconditional funding agreements, contingent only on the re-admission of shares to trading on the London Stock Exchange. In addition, we have reviewed all board minutes and other documentation as part of the audit to confirm that there are no conditions which exist which would indicate a material uncertainty in relation to going concern.

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

In relation to the entity's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the director's considered it appropriate to adopt the going concern basis of accounting.

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

Our application of materiality

Materiality for the financial statements was set at £6,800 (2019: £13,000) determined with reference to a benchmark of 1.5% of gross assets. Gross assets are deemed the primary driver for an investment trust Company. There were no revisions to the materiality as the audit progressed. Performance materiality was £4,760 (2019: £9,100).

We agreed to report to the Board any corrected or uncorrected identified misstatements exceeding £340 (2019: £650), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our approach to the audit

As part of designing our audit, we determined materiality and assessed the risk of material misstatement in the Financial Statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain, such as the valuation of investments. We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	**How the scope of our audit responded to the key audit matter**
Investments valuation, classification and ownership (see Note 5)	
The Company holds unquoted investments that involve measurement factors such as recent transactions, valuation benchmarks of comparable entities and net assets of the investee. The choice of valuation methodology, together with the absence of reliable information for non-listed investments, makes the valuation judgemental and could result in a material misstatement. As a result, this is a key judgemental area that our audit focuses on.	Our work in this area included: • testing ownership of the investments; • challenging management on the valuation basis adopted and ensuring it complied with industry best practice and accounting standards; • ensuring that the carrying value of the investment is not impaired, over and above that currently recognised in the financial statements; and • ensuring that appropriate disclosures surrounding any estimates and judgements made regarding their valuation. Based on the procedures performed, we consider management's judgements and investment valuation estimates to be reasonable and the related disclosures appropriate.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the directors' remuneration report to be audited 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.

Corporate governance statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the company's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 7;
- Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why the period is appropriate as set out on page 7;
- Directors' statement that they consider the annual report and the financial statements, taken as a whole, to be fair, balanced and understandable as set out on page 11;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks as set out on page 7;
- The section of the annual report that describes the review of the effectiveness of risk management and internal control systems as set out on page 14; and
- The section describing the work of the audit committee as set out on page 14.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the company and the industry in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management and including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.

- We determined the principal laws and regulations relevant to the company in this regard to be those arising from FCA Listing Rules, Companies Act 2006, UK Corporate Governance Code, Association of Investment Companies Code of Corporate Governance and International Financial Reporting Standards.

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to: enquiries of management; review of minutes of meetings; review of Regulatory News Service announcements and correspondence.

- We have discussed among the engagement team regarding how and where fraud might occur and any potential indicators of fraud. We then challenged the assumptions made by management in their significant accounting estimate related to it (see key audit matter).

- We addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Other matters which we are required to address

We were appointed by the Directors on 3 April 2020 to audit the financial statements for the year ended 31 December 2019 and subsequent financial periods. Our total uninterrupted period of engagement is two years, covering periods ended 31 December 2019 to 31 December 2020.

During the period, Welbeck Associates Limited provided trust account services to the company. Up until October 2020 the trust account was administered by a director of Welbeck Associates Limited, who is also a partner of PKF Littlejohn LLP. This service involved the transfer of funds held in the trust account in accordance with the instructions of the company's directors.

We are satisfied that it does not meet the definition of accounting services under the FRC Ethical Standard which would be subject to an outright prohibition under the FRC Ethical Standard. This is because they do not involve the maintenance of accounting records nor do they involve the preparation of financial statements or other subject matter.

Our safeguards in respect of this non-audit service have centred on the fact that the partner was not involved in the audit engagement in any capacity. The service did not involve making any judgements. We confirm that this safeguard was applied and that it enables us to conclude that our professional judgement and our audit report are not affected by the provision of the trust account service.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Thompson (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

20 July 2021

		Year ended 31 December 2020			Year ended 31 December 2019		
	Notes	**Revenue £'000**	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
Losses on investments	5	-	(28)	(28)	-	(777)	(777)
Other expenses	2	(466)	-	(466)	(589)	(471)	(1,060)
Net Loss before Finance Costs and Taxation		**(466)**	**(28)**	**(494)**	**(589)**	**(1,248)**	**(1,837)**
Interest payable and similar charges		-	-	-	-	-	-
Net Loss on Ordinary Activities before Taxation		**(466)**	**(28)**	**(494)**	**(589)**	**(1,248)**	**(1,837)**
Taxation on ordinary activities	3	-	-	-	-	-	-
Net Loss Attributable to Equity Shareholders		**(466)**	**(28)**	**(494)**	**(589)**	**(1,248)**	**(1,837)**
Loss per Ordinary Share	4	**(1.11p)**	**(0.07p)**	**(1.18p)**	**(1.40p)**	**(2.97p)**	**(4.37p)**

The total column of this statement represents the Company's profit or loss account, prepared in accordance with IFRS.

All revenue and capital items in this statement derive from continuing operations.

All of the gains and losses for the year are attributable to the owners of the Company.

No operations were acquired or discontinued in the year.

A Statement of Other Comprehensive Income is not required as all gains and losses of the Company have been reflected in the above Income Statement.

The accompanying notes are an integral part of the financial statements.

For the year ended 31 December 2020	**Share capital £'000**	**Share premium account £'000**	**Capital reserve £'000**	**Revenue reserve deficit £'000**	**Total £'000**
Balance at 31 December 2019	420	36,880	(33,157)	(4,549)	(406)
Loss on ordinary activities after taxation	-	-	(28)	(466)	(494)
Balance at 31 December 2020	**420**	**36,880**	**(33,185)**	**(5,015)**	**(900)**

For the year ended 31 December 2019					
Balance at 31 December 2018	420	36,880	(31,909)	(3,960)	1,431
Loss on ordinary activities after taxation	-	-	(1,248)	(589)	(1,837)
Balance at 31 December 2019	**420**	**36,880**	**(33,157)**	**(4,549)**	**(406)**

The revenue reserve represents the amount of the Company's reserves distributable by way of dividend.

The accompanying notes are an integral part of the financial statements.

BALANCE SHEET
AT 31 DECEMBER 2020

	Notes	2020 £'000	2019 £'000
Current Assets			
Investments	5	-	28
Receivables	6	-	13
Cash at bank		-	2
		-	**43**
Creditors: amounts falling due within one year			
Trade and other payables	7	(900)	(449)
Net Liabilities		**(900)**	**(406)**
Capital and Reserves			
Called up share capital	8	420	420
Share premium		36,880	36,880
Capital reserve		(33,185)	(33,157)
Revenue reserve		(5,015)	(4,549)
Equity Shareholders' Funds Deficit		**(900)**	**(406)**
Net Deficit per Share	9	**(2.14p)**	**(0.96p)**

The financial statements were approved by the Board of Directors and authorised for issue on 20 July 2021 and were signed on its behalf by:

James Normand
Chairman

The accompanying notes are an integral part of the financial statements.

	Notes	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Operating Activities			
Loss before taxation		(494)	(1,837)
Loss on investments	5	28	1,248
Decrease in receivables		13	10
Increase in payables		452	277
Net Cash Outflow from Operating Activities Before and After Taxation		**(2)**	**(302)**
Investing Activities			
Sales of investments		-	272
Net Cash Inflow from Investing Activities		**-**	**272**
Decrease in Cash in the Year		**(2)**	**(30)**
Net cash at the start of the year		2	32
Net Cash at the End of the Year		**-**	**2**

The accompanying notes are an integral part of the financial statements.

1. Accounting Policies

The Company is a public company limited by shares which is incorporated in England. The registered office of the Company is 80 Cheapside, London EC2V 6EE.

The principal activity of the Company is to undertake the business of an investment trust.

(a) **Basis of accounting**

The financial statements of the Company have been prepared in accordance with international accounting standards in conformity with the Companies Act 2006.

The financial statements have also been prepared in accordance with the Statement of Recommended Practice (SORP) "Financial Statements of Investment Trust Companies and Venture Capital Trusts" issued in November 2014 and updated in February 2018 with consequential amendments, to the extent that it is consistent with IFRS.

The functional and reporting currency of the Company is pounds sterling because that is the primary economic environment in which the Company operates. The notes and financial statements are presented in pounds sterling and are rounded to the nearest thousand except where otherwise indicated.

In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. Additionally, the net revenue of the Company is the measure the Directors believe appropriate in assessing its compliance with certain requirements set out in Sections 1158 - 1159 of the Corporation Tax Act 2010.

There are no new Accounting Standards which came into effect on 1 January 2020 which are relevant to the Company’s financial statements. There are no new standards and interpretations issued but not effective and not early adopted that are expected to have a material impact on the Company.

Going Concern

For the reasons outlined in the Strategic Review, particularly with regard to the CVA arrangement dated December 2020, the Board has concluded that it is appropriate to prepare the financial statements on a going concern basis. In assessing whether the going concern assumption is appropriate, the Directors have taken into account all relevant available information about the current and future position of the Company, including the current level of resources, additional funding raised based on investor commitments and the level of contracted and committed expenditure over the going concern period. The Company recorded a loss for the year and, as at 31 December 2020, had net current liabilities of £900,000, of which £836,000 had been assigned to the CVA Supervisor.

The Company meets its working capital requirements from its cash and cash equivalents. To date, the Company has raised finance through equity placings, receipt of convertible loans and the sale of investments. At the date of approval of these financial statements, the Company has received placing letters from investors amounting to £500,000, conditional only on the restoration of trading of the Company’s shares to the London Stock Exchange. After the payment of creditors not included in the CVA, the Company has sufficient funds to meet its working capital needs for a period of at least 12 months from the date of approval of these financial statements. Further funding will be required either through equity raisings or other financial arrangements to fund future activities.

Having prepared forecasts based on current resources, the Directors believe the Company has sufficient resources to meet its obligations for a period of at least 12 months from the date of approval of these financial statements. The financial statements do not include the adjustments that would be required should the going concern basis of preparation no longer be appropriate.

1. Accounting Policies (continued)

(a) **Basis of accounting (continued)**

Critical accounting estimates and judgements

The preparation of the financial statements necessarily requires the exercise of judgement both in application of accounting policies which are set out below and in the selection of assumptions used in the calculation of estimates. These estimates and judgements are reviewed on an ongoing basis and are continually evaluated based on historical experience and other factors. However, actual results may differ from these estimates. The most significant judgement concerns the valuation of unlisted investments. This is described in note 1(b) with further analysis provided in note 5.

A summary of the principal accounting policies which have been applied to all periods presented in these financial statements is set out below.

(b) **Investments**

Purchases or sales of investments are recognised on the date the Company commits to purchase or sell the investments. Investments are classified at fair value through profit and loss on initial recognition with any resultant gain or loss recognised in the Income Statement. Listed securities are valued at bid price or last traded price, depending on the convention of the exchange on which the investment is listed, adjusted for accrued income where it is reflected in the market price. Unlisted investments are valued at fair value by the Directors on the basis of all information available to them at the time of valuation and in accordance with the methodologies consistent with the International Private Equity and Venture Capital Valuation guideline ("IPEV"). This includes a review of the financial and trading information of the investee company, covenant compliance and ability to repay interest and cash balances. Where no reliable fair value can be estimated, investments are carried at cost less any provision for impairment.

Realised gains or losses on the disposal of investments and permanent impairments in the value of investments are taken to the capital reserve. Gains and losses arising from changes in the fair value of investments are included in the Income Statement as a capital item (see note (h) below).

(c) **Income**

Dividends receivable on equity shares are recognised as income on the date that the related investments are marked ex-dividend. Dividends receivable on equity shares where no ex-dividend date is quoted are recognised as income when the Company's right to receive payment is established. Fixed returns on non-equity shares are recognised on a time apportioned basis so as, if material, to reflect the effective interest rate on those instruments. Other returns on non-equity shares are recognised when the right to the return is established. The fixed return on a debt security is recognised on a time apportioned basis so as to reflect the effective interest rate on each such security.

Interest receivable (less any provision for doubtful receipt) is recognised as it accrues.

(d) **Taxation**

The charge for taxation is based on net revenue for the period. The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue on the same basis as the particular item to which it relates.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are only recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of underlying timing differences can be deducted.

1. Accounting Policies (continued)

(d) **Taxation (continued)**

Because the Company intends each year to qualify as an investment trust under Chapter 4 of Part 24 of the Corporation Tax Act 2010 (previously s842 of the Income and Corporation Taxes Act 1988), no provision is made for deferred taxation in respect of the capital gains that have been realised, or are expected in the future to be realised, on the sale of fixed asset investments.

Based on the smaller portfolio of the Company, after taking advice, it remains the position of the Board that the Company continues to qualify under these rules.

(e) **Expenses**

All expenses are accounted for on an accruals basis. Expenses are charged through the Income Statement as revenue items except as follows:

- expenses which are incidental to the acquisition of an investment are included within the cost of the investment;
- expenses which are incidental to the disposal of an investment are deducted from the disposal proceeds of the investment;
- expenses where a connection with the maintenance or enhancement of the value of the investments can be demonstrated are aggregated with the cost of the related investments.

(f) **Foreign currency**

Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates at the date of the transaction. Overseas assets and liabilities denominated in foreign currencies at the year-end are reported at the rates of exchange prevailing at the year-end. Any gain or loss arising from a change in exchange rates subsequent to the date of a transaction is included as an exchange gain or loss in capital reserves. The financial currency of the Company, being its statutory reporting currency, is sterling.

(g) **Finance costs**

Finance costs are accounted for on an accruals basis. Finance costs of debt, insofar as they relate to the financing of the Company's investments or to financing activities aimed at maintaining or enhancing the value of the Company's investments, are allocated between revenue and capital in accordance with the Board's expected long-term split of returns, in the form of income and capital gains respectively, from the Company's investment portfolio.

(h) **Reserves**

(a) Share premium - the surplus of net proceeds received from the issuance of new shares over their par value is credited to this account and the related issue costs are deducted from this account. This reserve is non-distributable.

(b) Capital reserve - the following are accounted for in this reserve:

- gains and losses on the realisation of investments;
- realised and unrealised exchange differences on transactions of a capital nature;
- capitalised expenses and finance costs, together with the related taxation effect; and
- increases and decreases in the valuation of investments held.

This reserve is non-distributable.

(c) Revenue reserve - the net profit or loss arising in the revenue column of the Income Statement is added to or deducted from this reserve. This reserve, if positive, is available for paying dividends.

1. **Accounting Policies (continued)**

(i) **Segmental information**

The Directors are of the opinion that the Company is engaged in a single segment of business, being investment.

(j) **Investments in Associates**

As an Investment Trust, the Company considers that it is an Investment Entity under IFRS and therefore investments which would ordinarily be considered associates and require to be equity accounted are accounted on a fair value basis in the Income Statement.

2. **Other expenses**

	2020 Revenue £'000	**2020 Capital £'000**	**2020 Total £'000**	**2019 Revenue £'000**	**2019 Capital £'000**	**2019 Total £'000**
Directors' fees	181	-	181	153		153
Auditors' remuneration	30	-	30	40		40
Provision against advances to Anglo-African Minerals plc	-	-	-	-	471	471
Other costs	255	-	255	396	-	396
	466	**-**	**466**	**589**	**471**	**1,060**

Since 1 September 2019 secretarial and administration services have been provided by Peterhouse Capital Limited. During the period the total fees payable to Peterhouse these services were £96,000. The balance due to Peterhouse at the year-end was £129,000.

3. Tax on Ordinary Activities

Reconciliation of Tax Credit

A reconciliation of the current tax credit is set out below:

	2020 Total £'000	2019 Total £'000
Loss on ordinary activities before taxation	(494)	(1,837)
Corporation tax at standard rate 19 % (2019: 19%)	(94)	(349)
Effects of:		
Non-taxable losses	5	147
Excess management expenses	89	202
Current year tax charge/(credit)	-	-

Due to the Company's status as an Investment Trust, and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided for deferred tax on capital gains and losses arising on the revaluation or disposal of investments.

At 31 December 2020 the Company had surplus management expenses of approximately £2,742,000 (2019: £2,276,000) which have not been recognised as a deferred tax asset.

4. Return per Ordinary Share

Return per ordinary share attributable to shareholders reflects the overall performance of the Company in the year.

	Year ended 31 December 2020	Year ended 31 December 2019
Revenue return	(1.11p)	(1.40p)
Capital return	(0.07p)	(2.97p)
Total return	(1.18p)	(4.37p)
	Number	**Number**
Weighted average ordinary shares in issue	41,964,512	41,964,512

Details of ordinary shares issued subsequent to the year-end are disclosed in Note 12.

5. Investments

	2020 Total £'000	2019 Total £'000
Investments listed/quoted on a recognised investment exchange	-	28
Unquoted investments	-	-
	-	28

The whole of the value of investments is attributable to equity shares.

The fair value of investments is assessed at each balance sheet and all gains and losses arising from these assessments are reflected in the capital section of the Income Statement.

International Financial Reporting Standard ("IFRS") "Financial Instruments: Disclosures" requires an analysis of investments valued at fair value, based on the reliability and significance of information used to measure their fair value. The level is determined by the lowest (that is the least reliable or independently observable) level of input that is significant to the fair value measurement for the individual investment in its entirety as follows:

Level 1 - investments quoted in an active market;

Level 2 - investments whose fair value is based directly on observable current market prices or indirectly being derived from market prices;

Level 3 - investments whose fair value is determined using a valuation technique based on assumptions that are not supported by observable current market prices or based on observable market data.

	Level 1 Listed overseas £'000	Level 2 Listed in UK £'000	Level 3 £'000	2020 Total £'000	2019 Total £'000
Opening book cost	181	-	4,855	5,036	10,275
Opening fair value adjustment	(153)	-	(4,855)	(5,008)	(8,727)
Opening valuation	28	-	-	28	1,548
Sales - proceeds	-	-	-	-	(272)
Sales - realised losses	-	-	-	-	(626)
Fair value adjustment	(28)	-	-	(28)	(622)
Closing Valuation	**-**	**-**	**-**	**-**	**28**
Closing book cost	181	-	4,855	5,036	5,036
Closing fair value adjustment	(181)	-	(4,855)	(5,036)	(5,008)
Closing Valuation	**-**	**-**	**-**	**-**	**28**

5. Investments (continued)

The gains and losses included in the above table have all been recognised within losses on investments in the Income Statement on page 23.

Losses on Investments	**2020 £'000**	**2019 £'000**
Realised losses on sale	-	(626)
Movement in fair value	(28)	(622)
Losses on Investments	**(28)**	**(1,248)**

During the year the Company did not incur any transaction costs on purchases or sales.

6. Debtors

	2020 £’000	**2019 £’000**
Prepayments	-	2
VAT recoverable	-	11
	-	**13**

7. Other Creditors

	2020 £'000	**2019 £'000**
Other creditors and accruals	900	449

8. Share Capital

	2020 Shares	**2020 £'000**
Authorised at 31 December Ordinary shares of 1p each	100,000,000	1,000
Allotted, called up and fully paid Total issued ordinary shares of 1p each as at 31 December	**41,964,512**	**420**

8. Share Capital (continued)

Capital management policies and procedures

The Company's capital management objectives are:

- to ensure, as far as reasonably possible, that the Company will be able to continue as a going concern; and
- to maximise the capital return to its equity shareholders through an appropriate balance of equity capital and loan notes.

The Board monitors and reviews the broad structure of the Company's capital on an ongoing basis. The Company has no externally imposed capital requirements.

The capital of the Company is managed in accordance with its investment policy detailed in the Strategic Review on page 6.

9. Net Liability Value per Ordinary Share

	2020	**2019**
Net liability value per share	(2.14 pence)	(0.96 pence)
Net liabilities attributable at end of period	(£900,000)	(£401,000)
Ordinary shares of 1p each in issue at end of period	41,964,512	41,964,512

10. Financial Instruments

The Company's financial instruments comprise its investment portfolio, cash balances and debtors and creditors that arise directly from its operations. As an investment trust the Company holds a small portfolio of financial assets in pursuit of its investment objective.

Listed fixed asset investments held (see note 5) are measured at fair value. For listed securities this is either bid price or the last traded price depending on the convention of the exchange on which the investment is listed. Unlisted investments are valued by the Directors on the basis of all the information available to them at the time of valuation. The fair value of all other financial assets and liabilities is represented by their carrying value in the Balance Sheet shown on page 25.

The main risks that the Company faces arising from its financial instruments are:

(i) market price risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or currency rate movements;

(ii) interest rate risk, being the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates;

(iii) foreign currency risk, being the risk that the value of investment holdings, investment purchases, investment sales and income will fluctuate because of movements in currency rates;

(iv) credit risk, being the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company; and

(v) liquidity risk, being the risk that the Company may not be able to liquidate its investments to satisfy ongoing operational requirements. The Company's operations have been cash flow negative since its inception, with the Company relying on the sale of investments to generate the cash needed to continue to operate.

10. Financial Instruments (continued)

The Company held the following categories of financial instruments as at 31 December:

	2020 £'000	2019 £'000
Financial Instruments		
At amortised cost		
Cash at bank and on deposit	-	2
Financial Liabilities		
At amortised cost		
Other creditors	900	449

Market Price Risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Company might suffer through holding market positions in the face of price movements. To mitigate the risk the Board's investment strategy is to select investments for their fundamental value. Stock selection is therefore based on disciplined accounting, market and sector analysis, with the emphasis on long term investments. The very focussed investment portfolio amplifies the risk arising from factors specific to a country or sector. The Executive Director actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to consider investment strategy.

Investment and portfolio performance are discussed in more detail in the Chairman's Statement and further information on the investment portfolio is set out on page 5.

Since the value of the investment portfolio has been completely provided against in these financial statements, a sensitivity analysis is not possible.

Interest Rate Risk

Financial Assets

Bond and preference share yields, and their prices, are determined by market perception as to the appropriate level of yields given the economic background. Key determinants include economic growth prospects, inflation, the Government's fiscal position, short term interest rates and international market comparisons. The Executive Director takes all these factors into account when making any investment decisions as well as considering the financial standing of the potential investee company.

Returns from bonds and preference shares are fixed at the time of purchase, as the fixed coupon payments are known, as are the final redemption proceeds. Consequentially, if a bond is held until its redemption date, the total return achieved is unaltered from its purchase date. However, over the life of a bond the market price at any given time will depend on the market environment at that time. Therefore, a bond sold before its redemption date is likely to have a different price to its purchase level and a profit or loss may be incurred.

Interest rate risk on fixed rate interest instruments is considered to be part of market price risk as disclosed above.

Floating Rate

When the Company retains cash balances they are held in floating rate deposit accounts. The benchmark rate which determines the interest payments received on cash balances is the bank base rate for the relevant currency for each deposit.

10. Financial Instruments (continued)

Interest Rate Risk (continued)

Fixed Rate

The Company held no fixed interest investments and had no fixed interest liabilities at 31 December 2020 nor at 31 December 2019.

The Company had no foreign currency exposure at 31 December 2020. The exposure at 31 December 2019 was as follows:

	Investments £'000	Cash £'000	Net current assets £'000	Total £'000
US Dollar	-	-	-	-
Australian Dollar	28	-	-	28
	28	**-**	**-**	**28**

Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Executive Director has in place a monitoring procedure in respect of counterparty risk which is reviewed on an ongoing basis. Since the value of the investment portfolio has been completely provided against in these financial statements, the Company had no credit risk at the year-end.

	2020 £'000	2019 £'000
Cash and cash equivalents	-	2

As at 31 December 2020 and 31 December 2019 the Company held 3 per cent or more of issued share capital of the following companies:

	2020 Number of ordinary shares issued	2020 Percentage held	2019 Number of ordinary shares issued	2019 Percentage held
Anglo African Minerals plc	444,648,075	25.4%	444,648,075	25.4%
Siberian Goldfields Limited	250,010,000	6.05%	250,010,000	6.05%

These companies are not treated as associates as the policy choice under IFRS is taken whereby they are not equity accounted as GRIT considers itself as an investment entity and therefore accounts for these investments on a fair value through profit and loss basis.

Liquidity Risk

Since the value of the investment portfolio has been completely provided against in these financial statements, the Company had no measurable liquidity risk at the year-end.

11. Related Party Transactions

The Directors are considered related parties.

There are no transactions with the Board other than their aggregated remuneration for services as Directors as disclosed in the Directors'·Remuneration Report on pages 16 and 17 and as set out in note 2 to the financial statements. None of the Directors has any interest in the ordinary shares of the Company.

There were fees of £251,541 (2019: £82,541) due to current Directors at the year-end (as noted in the Directors Remuneration Report on page 16).

Martin Lampshire, a director, has a consultancy arrangement with Peterhouse Capital Limited, the Company's Administrator and Secretary. This arrangement is entirely independent of Mr Lampshire's role as a director of the Company.

As a result of the Company holding more than 20% of the shares in AAM, it is considered a related party. There were no transactions with AAM during the year.

12. Post Balance Sheet Events

In February 2021, the Company placed 8,392,902 additional ordinary shares at a price of 1.5 pence per share, raising £125,893. Simultaneously it issued a convertible loan of £100,000. The loan bears no interest and is repayable after 18 months if not converted before then into ordinary shares, also at 1.5 pence per share.

In April 2021 the Company sold its holding in Siberian Goldfields Limited for £488,352, realising a surplus of the same amount over the nil written down value at which it is stated in these financial statements.

The funds from the issue of new shares and from the convertible loan, together with the proceeds of sale of Siberian Goldfields, were used in making a partial payment to creditors subject to the CVA.

In July 2021 the Company conditionally raised a minimum of £500,000 in new equity funds, subject only to the restoration of trading in the Company's shares on the London Stock Exchange.