BullionVault

GALMARLEY LIMITED

TRADING AS BULLIONVAULT.COM

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
COMPANY REGISTRATION NUMBER: 04943684

FOR THE YEAR ENDED 31 OCTOBER 2020

Company Registration Number 04943684

GALMARLEY LIMITED

TRADING AS BULLIONVAULT.COM

FINANCIAL STATEMENTS

31 OCTOBER 2020

ArmstrongWatson®

Accountants, Business & Financial Advisers

GALMARLEY LIMITED

COMPANY INFORMATION

Directors	P G Tustain T Levene G Lockwood R P Glynne
Company secretary	J Prytula
Registered number	04943684
Registered office	7th Floor 3 Shortlands London W6 8DA
Independent auditor	Armstrong Watson Audit Limited Chartered Accountants & Statutory Auditors Third Floor 10 South Parade Leeds West Yorkshire LS1 5QS

GALMARLEY LIMITED

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 OCTOBER 2020

The directors present their strategic report for the year ended 31 October 2020.

Business review

By the year end BullionVault had 91,146 users (2019 : 76,720). In this, the fifteenth full year of trading bullion, BullionVault sales amounted to £891m (2019 : £301m). The increase is substantially due to an accounting technicality. Where we act as a counterparty to a client's trade it increases our turnover by the full trade consideration. Where we act as introducer - putting buyer and seller in touch via the BullionVault order board - only our commission gets counted as turnover. Even quite dramatic changes to reported sales may have little or no impact on profits because both are broadly equivalent in net revenue generation.

Profits before tax rose to £10.7m (2019 : £5.2m).

Custody and fees revenue recovered from the previous year, up 75.9% (2019 : 24.0%).

Interest receipts, however, fell very sharply, -61.2%, having been +78.5% in the previous year. This clearly reflects the volatility of the interest rate environment, as it oscillates between +0.5%, and zero or even negative rates, depending on currency. This falling in interest receipts excludes the money we have paid to our bank for leaving client Euros on deposit (We later recoup this cost from relevant clients). If we included that element the overall effect of revenue from deposited client money would have been still worse, at -74.2% for the year.

Costs remain well controlled and the company's accounting policies remain cautious.

User comments about us on independent sites remain strongly positive, which is a credit particularly to the quality of our personal style of customer service as well as to the exceptionally low prices at which we offer bullion and storage. Our ranking on Trustpilot – the leader of the independent review sites remains 'Excellent'.

Gold

The gold price improved significantly during the year, up from £37,600/kg to £46,680/kg (27.0%). Reflecting our modest (80 – 90kg) long term gold net inventory position this made a contribution to profits of approximately £840,000.

As at 31 Oct 2020 we were looking after 45.1 tonnes of gold for clients (2019 : 38.6 tonnes). The 16.8% rise in customer inventory is of course largely the result of Covid, and we cannot predict if it is likely to stay invested in bullion as we return towards normality.

Silver

In Sterling terms silver prices rose from £449.8/kg to £587.5/kg (30.6%) continuing the 22.8% rise of the previous year.

As at 31 Oct 2020 we were looking after 1,110 tonnes for clients (2019 : 812 tonnes). With both tonnage and value rising our net increase in silver stored, in value terms, rose 78% during the year.

Platinum

Our platinum business continues to consolidate its progress. Having added it to the product set in March 2017 we have quickly become a significant player in the market.

Physical platinum does not attract the same volume of investor interest as either silver or gold, but it remains an interesting alternative for bullion bargain hunters. Because of the reduction in industrial demand for diesel catalytic converters platinum is still materially off its long term highs, and – unusually – cheaper than gold. This has caused it to attract more attention, and we remain well placed to win much of the private investor's demand.

We again extend our warm thanks to the World Platinum Investment Council, who have been very helpful in publicising the investment merits of platinum. We have recently executed an extension to our original marketing co-operation agreement with them.

Headcount

During the year under review our staff headcount remained stable at 34. This number refers to BullionVault staff and excludes those who transferred into the now independent WhiskyInvestDirect Limited. Headcount with regard to the group has decreased by 6 from 40 to 34 when considering the demerger of WhiskyInvestDirect Limited.

Disposals

In May 2020 WhiskyInvestDirect Limited (WID) was still a subsidiary of Galmarley Limited (shareholding of 87.5%). In turn, James Eadie Limited was a subsidiary of WID (100%), though it was making losses broadly equivalent to the profits being made at WhiskyInvestDirectLimited. We made the decision to sell all the James Eadie Limited equity to Rupert Patrick for £1. He also undertook to pay back a substantial amount of James Eadie's debts, both to WID and Galmarley Limited.

The disposal of James Eadie Limited cleared the way for us to spin off WhiskyInvestDirect Limited, which was completed in September 2020, with Galmarley's 87.5% stake in WID being distributed pro-rata to Galmarley Limited shareholders.

Galmarley Limited now – once again – has a single operating business, which is BullionVault.

For further details please see note 26 to the accounts.

Financial strength and future developments

The company has again made a cash transfer to reserves, although the split out of a £2m non-cash asset (its 87.5% holding of Whisky Invest Direct shares as detailed above) together with payment of a £10.00 interim dividend before the year end balance sheet date, has the result of making the net shareholders' equity appear slightly reduced at the year end. In reality the smaller size of the final dividend for 2020 (£5.55 per share) against 2019 (£9.00 per share) leaves shareholders funds higher on a like for like basis - i.e. as at end January, with all the previous year's dividends having been paid.

The year end total for shareholders' funds was £34.9 million (2019 : £35.4m) which is mostly held in immediately marketable bullion, or in cash held at call. Since the balance sheet date shareholders funds will have been depleted by the 2020 final dividend payment of just under £2m (2019 : £3.2m).

With our ongoing policy of distributing 75 to 80 per cent of profits to shareholders, coupled with results which are always likely to be affected by world economic circumstances, the reality is that at some point dividends should be expected to fall. Although the current year has started respectably well, it is likely that the dividend payment for the year will be reduced in January 2022, and – in the absence of exceptional circumstances – no interim dividend is planned for the current year to 31 October 2021.

Current market position and trading

BullionVault is by a wide margin the leading supplier of main-market bullion to the UK retail customer, and is a significant player on the world stage. Notwithstanding some inevitable volatility we continue to trade satisfactorily across all bullion products and all regions.

We were extremely well suited to the trading conditions in the spring of 2020. At that time there was a real difficulty for our competitors in selling and delivering small bullion products. This was caused by the Covid-related shutting down of fabricating and transport facilities all over the world.

However there was no interruption to Loco London delivery of large 'Good Delivery' bars in gold (400 oz) and silver (1,000 oz). These remain the products at the heart of our operations, and we were able to continue trading essentially without interruption.

As we maintain our balance sheet in Sterling we will ordinarily post higher profits when Sterling depreciates because this tends to cause bullion and foreign currency inventory balances to be revalued higher in Sterling terms. This year there was no material change in Sterling / USD, which was steady at 1.294.

Since the year end date – however – the strength of Sterling, which has risen sharply since the announcement of a trade deal with the EU, would ordinarily depress profits. Yet even with Sterling exchanging at around $1.36 in January 2021, the first three months of the current year are all ahead of the same period last year, which is a pleasing start to 2021.

Aside from the recovery in Sterling resulting from reaching a trade agreement with the EU, the completion of Brexit has had no material effect on the business. Any impact it may have had has become invisible in the shadow of Covid, which has largely had a beneficial effect on trading.

Key performance indicators

Among many data which the executive directors monitor on a near daily basis – and formally at regular full board meetings - key performance indicators include trading commission, account funding, total vaulted client property and a range of trading and other running costs.

Results and dividends

A final dividend of £9.00 per £1 ordinary share was paid in January 2020 (in respect of the year to Oct 31 2019)

An interim dividend of £10.00 per £1 ordinary share was paid in October 2020 (in respect of the year to Oct 31 2020).

A final dividend of £5.55 per £1 ordinary share was paid in January 2021 (in respect of the year to Oct 31 2020).

Principal risks and uncertainties

The principal risks uncertainties facing the group have been disclosed within the Directors Report (see page 8).

Statement by the directors in performance of their statutory duties in accordance with section 172 of the Companies Act 2006

The directors acknowledge and understand their duties and responsibilities, including that of section 172, of the Companies Act 2006. A director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term,
- the interest of the company's employees,
- the need to foster the company's business relationships with suppliers, customers and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the company

The board recognises that the long term success of the business is dependent on the way we interact with a large number of important stakeholders including our colleagues, clients and shareholders.

The directors have had regard to the interest of our stakeholders while complying with their obligations to promote the ongoing success of the business in line with the section 172 of the Companies Act.

Ahead of all board meetings the directors are supplied with board papers that highlight relevant stakeholder considerations along with performance metrics.

The board's decision making considers both risk and reward in the pursuit of delivering long term value to our stakeholders and acknowledging and understanding the current and potential risks to the business, both financial and non-financial, are fundamental to how we manage the business.

The directors, both individually and collectively as a board consider the decisions taken during the year ended 31st October 2020 were in conformance of their duty under section 172 of the Companies Act.

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

P G Tustain
Director

Date: 25/2/2021

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2020

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

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

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

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

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

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

Principal activity

The principal activity of the group in the year under review was that of providing an online platform for the trading of bullion and whisky.

The principal activity of the company continued to be that of enabling its customers to buy and sell high integrity gold, silver and platinum bullion, via the internet, and arranging the custody of this bullion in professional vaults in London, New York, Singapore, Toronto and Zurich. The company delivers its service through the BullionVault.com website.

Results and dividends

The profit for the year, after taxation, amounted to £8,733,000 (2019 : £4,167,000).

A final dividend of £9.00 per £1 ordinary share was paid in January 2020 (in respect of the year to Oct 31 2019)

An interim dividend of £10.00 per £1 ordinary share was paid in October 2020 (in respect of the year to Oct 31 2020).

A final dividend of £5.55 per £1 ordinary share was paid in January 2021 (in respect of the year to Oct 31 2020).

Directors

The directors who served during the year and up to the date of this report were:

P Tustain
T Levene
G Lockwood
R Glynne

Financial risk management and objectives

The key objective in using financial transactions is the maintenance of a float of bullion and currency in order that the group's bullion trading computer programs have sufficient access to funds and bullion to be able to trade and settle trades on the BullionVault order board, where the rules require instantaneous settlement. This means any bullion sold on the order board by the group must already belong to the group, and have been released into the vault before being sold, and any money used to bid for bullion must already be at the company's bank, and be capable of being immediately credited to the seller in cleared funds.

So, more specifically, the objectives of our financial transactions are:-

1. To ensure an immediately available inventory of US Dollars, Euros, Yen and Pounds Sterling, cleared in bank accounts, while not unduly exposing the company to currency risk.

2. To ensure an immediately available inventory of bullion vaulted in London, New York, Singapore, Toronto and Zurich, while not unduly exposing the company to risks of dramatic bullion price movements.

Policies

To meet these objectives the group engages in two main styles of financial transaction giving rise to material risk.

1. Gold, silver and platinum bullion trades. These are executed with reputable London bullion dealers. The company currently has accounts with one bullion dealing bank and two commodities trading houses. All are members of the London Bullion Market Association. The company buys bullion from them usually for settlement within 24 or 48 hours and is required to pay before receipt of bullion, on the day settlement is due. Making that payment prior to delivery exposes the company to a potential counterparty default, which, while it is the main financial risk of dealing with them, is considered well controlled and modest. An additional risk arises with these counterparties, which is the depositing of cash margin with them in order to retain the ability to trade quickly, and in size, when market conditions require it.

2. Trades giving rise to a long position in bullion or a foreign currency. Given that the company has net shareholders' funds amounting to approximately £35m this has to be held somehow. Leaving it all in sterling (or hedging positions to create a uniquely sterling based risk profile) eliminates any risk of nominal sterling profits or losses arising from rises or falls in the prices of currency and bullion. However that policy would run the risk of a slide in sterling's value significantly impairing the company's ability to buy bullion and FX. In order to mitigate to some degree the risk of such a slide in sterling from impacting the business the company elects to maintain material positions in both bullion and foreign currency. Currently these do not exceed 50% of shareholders' funds. Holding assets which are not sterling gives rise to the possibility of both profits and losses, when, at the end of the year, the holding is presented at its then market value.

There is no material risk regarding the spot and forward currency transactions which the company also undertakes, as in these the amount owed (in one currency) is in value terms owing (in another) and both amounts are open with the same counterparty and/or settle at the same time.

The company is not at material risk from customer default because customers can only purchase bullion with cleared money already received by the company. Similarly customers can only sell bullion already in the custody of the company.

Greenhouse gas emissions, energy consumption and energy efficiency action

The Group has not disclosed information in respect of greenhouse gas emissions, energy consumption and energy efficiency action as its energy consumption in the United Kingdom for the year is 40,000kWh or lower.

Principal risks and uncertainties

Bullion supplier default

Before explaining the nature of this risk it is important to point out that this risks only the company's money. Neither client money nor client bullion is exposed.

In our view the default of a market counterparty is a meaningful financial risk. Although we always pay on the day settlement is due we could conceivably pay a counterparty in the morning for the afternoon delivery of bullion, which might not proceed if the counterparty were to fail after receiving our money, and before delivering us our bullion.

In addition the margin left with that counterparty might be lost. The combination of the two might be as much as £5m.

There is no 100% safe counterparty.

Our counterparties for bullion trades are all LBMA member firms. We have more than one supplier so that we can avoid an undue concentration of counterparty risk. As far as we can we arrange our purchases to prevent too much being settled on one day with one counterparty.

We try to keep settlements below £4m and we are successful in more than 95% of cases. This does not reduce the risk of a default by a bullion counterparty, but does somewhat reduce its consequence.

We would favour suppliers who segregate money upon receipt, and hold it segregated until we receive delivery of our bullion. But our major suppliers do not segregate our money upon receipt, which means they do not have to finance our purchase for one or two hours with their own funds. This benefits them in lower costs, and benefits us in their more competitive pricing.

This raises a question of judgement which the board keeps under review. We must weigh the risk of default against the higher pricing which goes with a segregated service. Over a number of years we have been confident enough in our counterparties to prioritise price over segregation, and now we may look at the decision as having been successful, in so far as the benefits to our business probably would now outweigh the costs of a single failure. But far better is to avoid the cost of a failure. We have now resolved to formalise a review of our counterparties via their credit rating – where available – and to moderate both margin balances and transaction sizes accordingly.

Reporting currency risk

There is a risk of currency failure. Given responses to Covid-19, and the historical financial experience of jurisdictions which have allowed government debt to exceed 100% of GDP, we must consider the risk of a run on sterling, possibly leading to severe inflation.

This is a risk not widely considered in the current low retail price inflation environment. But we believe it is increasingly material, and it places us and all other businesses in a difficult dilemma.

Again I stress this is a risk for the shareholders' funds and not for clients – except to the extent that they hold their own money on deposit through us in Sterling.

We report in Sterling, and manage our gold and FX positions so as to leave them relatively small. The balance of our funds of £35m are therefore automatically exposed to fluctuations in the international purchasing power of Sterling.

A prolonged or dramatic fall in the value of Sterling would lose our shareholders a great deal of purchasing power, but not generate reportable or tax losses. It would limit our ability to buy gold and expand our business, and it would reduce our balance sheet worth expressed - for example - in dollars.

This marketplace currency risk is at its most acute, and invisible, when it comes to Sterling. In a rapid inflation of our host currency we would report no losses and would be taxed on profits as if nothing were happening, while our balance sheet was slowly (or possibly rapidly) being relieved of its purchasing power.

The only mitigating aspect of this risk is that it would be good for the trading revenues of our business. We would be likely to be trading fast and profitably in such an environment, but whether it would be fast enough to make up the losses on our accumulated reserves from 15 years of profitable trading is entirely another matter.

In the meantime the discretion of the directors to move shareholders out of Sterling and into another asset is the responsibility they must accept, without any real hope that it is a discretion which could be exercised with any precision. Fast inflating currencies are notoriously difficult to trade in.

Bank failure

Our major UK bank has been rebuilding itself in the period from 2009 to 2019. There is wide agreement that by the beginning of 2020 it was in a much stronger financial position than it was in October 2009, at the peak of that year's financial crisis.

Then Covid-19 arrived, placing an unknowable load on its commercial borrowers, and thence on the bank itself.

Such news as there is on this delicate matter suggests that the major British banks are secure by virtue of their overall economic importance, if less so their financial soundness. The board has been unwilling to take this entirely on trust, and we have been in regular contact with the bank throughout the year. We have been seeking a balancing of our considerable exposure to them – an unusual circumstance for a bank to find itself in.

Aside from client funds – which should be at least partially protected by deposit protection schemes – we estimate that we have approximately £19m of company exposure to a default by our bank. This greatly exceeds the maximum threshold of deposit protection, and would represent a very large hit to our balance sheet.

The government's current position is that firms such as ours are sophisticated enough to manage such a risk. Policy has shifted – at least nominally – so that instead of automatically rescuing a failing bank with taxpayers' money, business money, such as our company's, would likely now be 'bailed-in' to an unknown extent if there were a bank failure. Policy now has the effect of focusing the cost of a bank's failure on companies like ours.

Our board is uncomfortably aware of this. Accordingly we have explored a loan structure, whereby our unavoidably large and necessary working capital balance is balanced by loans secured against bought assets (bullion). With the appropriate rights of set-off this could flatten the exposure. Unfortunately we have had not been successful in achieving this through our bank.

Our communications with variously well connected people in the City of London are mollifying, and in some respects consistent with what we see and read in the Treasury's actions. Broadly, if it is not a problem to print £400 billion for government's economy-supporting purposes it should be expected that whatever 10s of billions might be needed to save our larger UK banks would be printed too – to avoid the inevitable crunch of a major bank failure. But this is an inadequate solution and we know it.

We continue to evaluate our banking options but acknowledge other banks may pose different and otherwise unforeseen risks. Switching banks would also come at significant operational cost.

Market risk

The company is exposed to movements in the gold price. It maintains an unhedged net gold inventory of approximately 80kg which is allowed to float up and down by a maximum of about 14kg before being corrected by a market trade.

We also keep up to about 30% (£8m) of our shareholders funds in US$, although this has recently been held at about $2.5m.

We do not seek to hedge these balances entirely out of market risk. At current prices a long of 94kg undergoing a two percent price fall in gold - which would be a sharp one day move - costs the company about £88,000 in inventory losses, which is easily absorbed by our financial strength. If the $ position currently maintained were to incur a 2% fall it would result, similarly, in a loss of about £40,000, again an inconsequentially small impact on P&L.

Neither the gold nor US$ positions, nor the smaller € or silver positions are considered a material risk.

Liquidity risk

The company operates in bullion and currency markets both of which are among the deepest capital markets in the world. There is minimal risk of these markets becoming illiquid in normal circumstances. Gold has had by far the best long term record of deep and liquid markets of any financial asset in history.

All customers now have direct daily access to the London Bullion Market - the biggest bullion market in the world. In any marketplace nothing can guarantee a determined seller access to a willing buyer. However by providing direct dealing access to all our other customers, and direct access to the London Bullion Market, the risk of a failure of liquidity is in our opinion as low as it can reasonably be.

Cash flow risk

The company has no current material risk in terms of cash flow. The company has sufficient liquid assets to meet all expenses at the current level for 5 years - even in the absence of any revenues.

The company's assets are almost entirely held in currency and bullion which are both highly liquid, so excepting supplier default there is no realistic danger of not being able to raise any cash required in the short and medium term.

Very few businesses could demonstrate this ability to pay all their running costs into the far future.

Other financial risks

The most material other financial risk to the business is customer fraud. In the course of normal business we pay large sums by bank wire to our customers' original funding bank account. We regard every substantial payment as having a potential for serious loss. Nevertheless we must pay our customers quickly and efficiently when they demand it. We maintain tight control of our procedures in this regard, and our record is good.

Data breach risk

Data breach (hacking) is a material risk, in different ways to both customers and shareholders. Our measures against it are under regular review involving the chairman, the CEO and the CTO, who have regular meetings at which no issues except data security are discussed. These meetings are not casual procedure, as our board and our management team regard this particular risk as the single largest threat to the ongoing health of our company.

We are forced by law to hold information on our systems which is personal to customers (for example, details about their identity). Offering, as we do, an on-line service there is no practical alternative to holding this information in a modern digital information system which will be connected to the outside world, and which will have the general ability to be accessed, copied and transmitted at exceptional speed, were unauthorised access to be gained. This reality underlies the very real nature of the risk.

Unfortunately, even given our significant expertise in this area, we have to recognise that modern systems are so complicated, and the threats against them so sophisticated, that it is inevitable that there will be gaps in our collective knowledge about particular data breach threats.

Without disclosing (for obvious reasons) the nature of the extensive measures we take, we nevertheless assert that if a breach were to occur it will not be the result of board-level complacency.

Other risks

The Directors believe that there are - as in any business - unquantifiable risks relating to, for example, reputation and unpredictable force majeure events. These are a general feature of a modern business environment. A good example of such a risk is Covid. I find myself remembering that as I wrote the equivalent report a year ago, Covid was not an identified risk. The world remains more than capable of blindsiding all of us.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

Going concern

The directors have considered the ongoing situation with regard to COVID-19 as part of their going concern assessment. The view of the directors is that, while they acknowledge the significant disruption that the pandemic will continue to bring over the coming weeks and months, the directors feel that the group and company is well placed to negotiate the unique set of conditions currently facing the UK economy and has sufficient cash and highly liquid assets in order to continue to meet liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

For further details see accounting policy 2.2.

Matters covered in the strategic report

Certain information is not shown in the Directors Report because it is shown in the Group Strategic Report on pages 1-5 instead under s414C(11). The Group Strategic Report includes a business review, significant events in the year, information on the group's key performance indicators and future developments.

Disclosure of information to auditor

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

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

Post balance sheet events

A final dividend of £5.55 per £1 ordinary share was paid in January 2021 (in respect of the year to Oct 31 2020).

Appointment of auditors

During the year our longstanding auditors Albert Goodman LLP resigned. This was a sad day, but a commercially necessary one for them.

We have been delighted to engage Armstrong Watson Audit Limited as their replacements.

The auditor, Armstrong Watson Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

P G Tustain
Director

Date: 25/2/2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GALMARLEY LIMITED

Opinion

We have audited the financial statements of Galmarley Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 October 2020, which comprise the Consolidated Statement of comprehensive income, the Consolidated and Company Statements of financial position, the Consolidated and Company Statement of changes in equity, the Consolidated Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 October 2020 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GALMARLEY LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group 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 Group 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 6, 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 Group's and the 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 the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GALMARLEY LIMITED (CONTINUED)

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 Group financial statements.

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.

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.

Ross Preston (Senior Statutory Auditor)
for and on behalf of Armstrong Watson Audit Limited

Chartered Accountants & Statutory Auditor
Leeds

Date: 04/03/2021

GALMARLEY LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2020

	Note	2020 £	2019 £000
Turnover	4	**891,465**	309,764
Cost of sales		**(875,758)**	(300,424)
Gross profit		**15,707**	9,340
Administrative expenses		**(5,174)**	(4,061)
Other operating income		**196**	251
Operating profit		**10,729**	5,530
Gain on disposal of subsidiary		**327**	-
Interest receivable and similar income	9	**15**	2
Interest payable and similar expenses	10	**(368)**	(335)
Profit before taxation		**10,703**	5,197
Tax on profit	11	**(1,970)**	(1,009)
Profit for the financial year		**8,733**	4,188
Total comprehensive income for the year attributable to:			
Non-controlling interests		**-**	21
Owners of the parent Company		**8,733**	4,167
		8,733	4,188

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

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

The notes on pages 25 to 53 form part of these financial statements.

GALMARLEY LIMITED
REGISTERED NUMBER: 04943684

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2020

	Note		2020 £000		2019 £000
Fixed assets					
Intangible assets	12		17		24
Tangible assets	13		50		421
			67		445
Current assets					
Stocks	14	21,697		23,777	
Debtors: amounts falling due within one year	16	29,829		26,835	
Cash at bank and in hand	17	25,462		23,619	
		76,988		74,231	
Creditors: amounts falling due within one year	18	(37,999)		(33,971)	
Net current assets			38,989		40,260
Total assets less current liabilities			39,056		40,705
Creditors: amounts falling due after more than one year	19		(4,205)		(4,931)
Provisions for liabilities					
Deferred taxation	22	-		(62)	
			-		(62)
Net assets			34,851		35,712
Capital and reserves					
Called up share capital			360		360
Share premium account			8,475		8,462
Capital redemption reserve			4		4
Profit and loss account			26,012		26,625
Equity attributable to owners of the parent Company			34,851		35,451
Non-controlling interests			-		261
			34,851		35,712

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25/02/21.

P G Tustain
Director

The notes on pages 25 to 53 form part of these financial statements.

GALMARLEY LIMITED
REGISTERED NUMBER: 04943684

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2020

	Note		2020 £000		2019 £000
Fixed assets					
Intangible assets	12		**16**		17
Tangible assets	13		**50**		66
Investments	15		**-**		2,000
			66		2,083
Current assets					
Stocks	14	**21,697**		22,635	
Debtors: amounts falling due within one year	16	**29,904**		27,031	
Cash at bank and in hand	17	**25,445**		20,359	
		77,046		70,025	
Creditors: amounts falling due within one year	18	**(38,184)**		(33,456)	
Net current assets			**38,862**		36,569
Total assets less current liabilities			**38,928**		38,652
Creditors: amounts falling due after more than one year	19		**(4,205)**		(3,376)
Net assets			**34,723**		35,276
Capital and reserves					
Called up share capital			**360**		360
Share premium account			**8,475**		8,462
Capital redemption reserve			**4**		4
Profit and loss account brought forward		**26,450**		24,387	
Profit for the year		**8,260**		4,108	
Other changes in the profit and loss account		**(8,826)**		(2,045)	
Profit and loss account carried forward			**25,884**		26,450
			34,723		35,276

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25/02/21.

P G Tustain
Director

The notes on pages 25 to 53 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2020

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Equity attributable to owners of parent Company	Non-controlling interests	Total equity
	£000	£000	£000	£000	£000	£000	£000
At 1 November 2019	360	8,462	4	26,625	35,451	261	35,712
Comprehensive income for the year							
Profit for the year	-	-	-	8,733	8,733	(261)	8,472
Dividends	-	-	-	(6,835)	(6,835)	-	(6,835)
Shares issued during the year	-	13	-	-	13	-	13
Share based payment transactions	-	-	-	9	9	-	9
Disposal of Non-controlling interest	-	-	-	261	261	-	261
Disposal of subsidiary via distribution to shareholders	-	-	-	(2,781)	(2,781)	-	(2,781)
Total transactions with owners	-	13	-	(9,346)	(9,333)	-	(9,333)
At 31 October 2020	360	8,475	4	26,012	34,851	-	34,851

The notes on pages 25 to 53 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2019

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Equity attributable to owners of parent Company	Non-controlling interests	Total equity
	£000	£000	£000	£000	£000	£000	£000
At 1 November 2018	360	8,462	4	24,503	33,329	240	33,569
Comprehensive income for the year							
Profit for the year	-	-	-	4,167	4,167	21	4,188
Dividends	-	-	-	(2,050)	(2,050)	-	(2,050)
Share based payment transactions	-	-	-	5	5	-	5
Total transactions with owners	-	-	-	(2,045)	(2,045)	-	(2,045)
At 31 October 2019	360	8,462	4	26,625	35,451	261	35,712

The notes on pages 25 to 53 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2020

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 November 2019	360	8,462	4	26,450	35,276
Comprehensive income for the year					
Profit for the year	-	-	-	8,260	8,260
Dividends	-	-	-	(6,835)	(6,835)
Shares issued during the year	-	13	-	-	13
Share based payment transactions	-	-	-	9	9
Disposal of investment via distribution to shareholders	-	-	-	(2,000)	(2,000)
Total transactions with owners	-	13	-	(8,826)	(8,813)
At 31 October 2020	360	8,475	4	25,884	34,723

The notes on pages 25 to 53 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2019

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 November 2018	360	8,462	4	24,387	33,213
Comprehensive income for the year					
Profit for the year	-	-	-	4,108	4,108
Dividends	-	-	-	(2,050)	(2,050)
Share based payment transactions	-	-	-	5	5
Total transactions with owners	-	-	-	(2,045)	(2,045)
At 31 October 2019	360	8,462	4	26,450	35,276

The notes on pages 25 to 53 form part of these financial statements.

GALMARLEY LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2020

	2020 £000	2019 £000
Cash flows from operating activities		
Profit for the financial year	8,733	4,188
Adjustments for:		
Amortisation of intangible assets	1	2
Depreciation of tangible assets	20	52
Interest paid	368	335
Interest received	(15)	(2)
Taxation charge	1,970	1,009
Decrease/(increase) in stocks	2,080	(2,941)
(Increase) in debtors	(2,994)	(12,213)
Increase in creditors	2,462	12,702
Corporation tax (paid)	(1,503)	(720)
Bullion loans revalued	555	1,546
Share based payment transactions	9	5
Disposal of subsidiary	327	-
Net cash generated from operating activities	12,013	3,963

GALMARLEY LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

	2020 £000	2019 £000
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(1)
Purchase of tangible fixed assets	(4)	(160)
Interest received	15	2
Net cash from/(used in) investing activities	11	(159)
Cash flows from financing activities		
Repayment of bullion loans	(210)	(286)
Dividends paid	(6,835)	(2,050)
Interest paid	(368)	(288)
Interest on preference shares	-	(47)
Disposal of subsidiary via distribution to shareholders	(2,781)	-
Shares issued in the year	13	-
Net cash used in financing activities	(10,181)	(2,671)
Net increase in cash and cash equivalents	1,843	1,133
Cash and cash equivalents at beginning of year	23,619	22,486
Cash and cash equivalents at the end of year	25,462	23,619
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	25,462	23,619
	25,462	23,619

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

1. General information

The company is a private company limited by share capital, incorporated in England and Wales. The company operates from its registered address, 7th Floor, 3 Shortlands, London, W6 8DA, United Kingdom.

The financial statements are prepared in sterling (£'000's). The financial statements are for the year ended 31 October 2020.

The principal activity of the group in the year under review was that of providing an online platform for the trading of bullion and whisky.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

These financial statements are presented in Sterling (£).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The profit for the year for the Company can be seen on page 18.

The following principal accounting policies have been applied:

2.2 Going concern

The directors have considered the ongoing situation with regard to COVID-19 as part of their going concern assessment. The view of the directors is that, while they acknowledge the significant disruption that the pandemic will continue to bring over the coming weeks and months, the directors feel that the company and group is well placed to negotiate the unique set of conditions currently facing the UK economy and has sufficient cash and highly liquid assets in order to continue to meet liabilities as they fall due.

The Group has a secure cash position at the year end and at the time of approval of the accounts. The directors have prudently assessed the level of outgoings in the business against the available cash and concluded there is more than sufficient headroom to enable the company and group to meet its liabilities as they fall due for a period of at least 12 months from the approval of the accounts.

After consideration of all factors, the directors continue to adopt the going concern basis in preparing the financial statements.

2. Accounting policies (continued)

2.3 Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 October 2020.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

2.4 Turnover recognition

Turnover represents amounts receivable for the sale of bullion, whisky and related services as part of a composite supply of services to customers and includes interest earned on client accounts.

Turnover for the sale of bullion and whisky is recognised at the point of settlement and ancillary services when provided. Interest is recognised on an accruals basis.

2.5 Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

2. Accounting policies (continued)

2.6 Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

2.7 Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at historical cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value and specifically does not include bullion.

2.9 Debtors

Other debtors largely consist of unsettled client fees and client trades not yet due for settlement (maximum two days).

Main market bullion settlements and foreign exchange trades are expected to settle within the normal
market cycle of two days.

Main market bullion settlements can be either normal market transactions due for settlement within 48 hours or forward trades acting to hedge the inventory which by their nature are outstanding for longer periods. All main market bullion settlements are valued with reference to the LBMA daily price.

2.10 Inventories

Stocks consist of gold, silver and platinum bullion and whisky held by the group.

Gold, silver and platinum bullion stocks are valued with reference to the LBMA daily price as determined by the London Bullion Market Association at the balance sheet date. Changes in the valuation of stocks are recorded in the consolidated statement of comprehensive income.

This policy is in line with FRS 102 section 13.3 as the company operates in an active market where sale can be achieved at published prices, and inventories are a store of readily realisable value. The directors consider the policy of valuing stocks at net realisable market value to be necessary to show a true and fair view and wholly consistent with the operation of the group's business.

Whisky stocks are valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

2. Accounting policies (continued)

2.11 Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. No trade creditors are for a period long enough to consider amortisation.

Main market bullion settlements and foreign exchange trades are expected to settle within the normal market cycle of two days.

Main market bullion settlements can be either normal market transactions due for settlement within 48 hours or forward trades acting to hedge the inventory which by their nature are outstanding for longer periods. All main market bullion settlements are valued with reference to the LBMA daily price.

Other loans are loans denominated in bullion. These amounts are repayable in bullion and the liability is valued at each reporting date with reference to the LBMA daily price.

2.12 Borrowings

The other borrowings shown in note 20 are denominated in bullion and are initially recorded at fair value.

They are subsequently measured at fair value, with the movement through the consolidated statement of comprehensive income. The interest expense is recognised on an accruals basis for the interest due for the reporting period and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

2.13 Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

2.14 Reserves

Called up share capital represents the nominal value of shares that have been issued.

Share premium account includes any premiums received on the issue of share capital. Transaction costs associated with the issuing of shares are deducted from the share premium.

Profit and loss account includes all current and prior period profits and losses.

2.15 Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

2. Accounting policies (continued)

2.16 Defined contribution pension obligation

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payments obligations.

The contributions are recognised as an expense in the consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

2.17 Share based payments

The group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the entity. The fair value of the employee services received is measured by reference to the estimated fair value at the grant date of equity instruments granted and is recognised as an expense over the vesting period. The estimated fair value of the option granted is calculated using the Black Scholes option pricing model. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2.18 Client accounts

The group operates separately designated client accounts in each currency on the trading platform in which the group trades. Customers are only able to purchase bullion or whisky once the group has received cleared money· and this money is paid to and held in the separately designated financial accounts. As these amounts are held within designated client accounts and beneficial entitlement is retained by the customers, these cash balances are not included in the balance sheet of the group.

2.19 Redeemable preference shares

Redeemable preference shares are treated as non-current loans and borrowings, which is in accordance with FRS102.

2.20 Operating premises leasing

Rentals payable under operating leases are charged in the consolidated statement of comprehensive income on a straight line basis over the lease term.

2. Accounting policies (continued)

2.21 Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

2.22 Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Other intangible assets	-	10 % Straight line
Goodwill	-	10 % Straight line

2. Accounting policies (continued)

2.23 Tangible fixed assets

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

Depreciation is provided on the following basis:

Short leasehold improvements	- over the life of the lease
Fixtures, fittings and equipment	- 3 years
Plant and machinery	- 15 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.24 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.25 Financial instruments

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

2. Accounting policies (continued)

2.25 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgments and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The group and company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

There no key sources of estimation uncertainty in applying accounting policies in the financial statements.

4. Turnover

The group's income is derived from its activities of enabling its customers to buy and sell gold, silver, platinum and whisky via the Internet and arranging the custody of the gold, silver, platinum and whisky owned by its customers which is considered by the directors to be a single global market.

	2020	2019
	£000	*£000*
Sale of goods	**879,034**	300,689
Commission and fee income	**12,161**	8,049
Interest received	**270**	1,026
	891,465	309,764

5. Operating profit

The operating profit is stated after charging:

	2020 £000	2019 £000
Contributions to defined benefit pension schemes	96	97
Operating lease rentals	151	181
Depreciation expense	20	51
Amortisation expense	1	2

6. Auditor's remuneration

	2020 £000	2019 £000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	33	48
Audit of the financial statements of the subsidiaries of the company pursuant to legislation	24	40

Fees payable to the Group's auditor and its associates in respect of:

	2020 £000	2019 £000
Taxation compliance services	7	7
All other services	7	4
	14	11

7. Staff costs

The aggregate staff costs (including directors' remuneration) were as follows:

	2020 £000	2019 £000
Wages and salaries	2,471	2,515
Social security costs	234	235
Pension costs, defined contribution scheme	96	97
Share-based payment expenses	9	5
Other employee expense	-	52
	2,810	2,904

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2020 £000	2019 £000
Development and support staff	30	36
Directors	4	4
	34	40

8. Directors' remuneration

	2020 £000	2019 £000
Directors' remuneration	516	400
Company contributions to defined contribution pension schemes	3	2
	519	402

During the year the number of directors who were receiving benefits and share incentives was 3 (2019 : 3).

The highest paid director received remuneration of £323,000 (2019 : £308,000). During the year the highest paid director received or was entitled to receive shares under a long term incentive scheme.

9. Interest receivable

	2020 £000	2019 £000
Interest income on bank deposits	15	2
	15	2

10. Interest payable and similar expenses

	2020 £000	2019 £000
Other loan interest payable	368	288
Preference share dividends	-	47
	368	335

11. Taxation

	2020 £000	2019 £000
Corporation tax		
Current tax on profits for the year	1,970	998
	1,970	998
Total current tax	1,970	998
Deferred tax		
Origination and reversal of timing differences	-	11
Total deferred tax	-	11
Taxation on profit on ordinary activities	1,970	1,009

11. Taxation (continued)

Factors affecting tax charge for the year

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

	2020 £000	2019 £000
Profit on ordinary activities before tax	**10,703**	5,197
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 : 19 %)	**2,033**	988
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**5**	14
Capital allowances for year in excess of depreciation	**3**	(7)
Short term timing difference leading to an (decrease)/ increase in taxation	**(71)**	40
Group relief	**-**	(26)
Total tax charge for the year	**1,970**	1,009

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

12. Intangible assets

Group

	Other intangible assets £000	Goodwill £000	Total £000
Cost			
At 1 November 2019	28	177	205
Disposals	(8)	-	(8)
At 31 October 2020	20	177	197
Amortisation			
At 1 November 2019	3	177	180
Charge for the year on owned assets	1	-	1
On disposals	(1)	-	(1)
At 31 October 2020	3	177	180
Net book value			
At 31 October 2020	17	-	17
At 31 October 2019	25	-	25

12. Intangible assets (continued)

Company

	Other intangible assets £000
Cost	
At 1 November 2019	20
At 31 October 2020	20
Amortisation	
At 1 November 2019	3
Charge for the year	1
At 31 October 2020	4
Net book value	
At 31 October 2020	16
At 31 October 2019	17

13. Tangible fixed assets

Group

	Short-term leasehold property £000	Plant and machinery £000	Fixtures and fittings £000	Total £000
Cost or valuation				
At 1 November 2019	122	416	273	811
Additions	-	-	4	4
Disposals	-	(416)	-	(416)
At 31 October 2020	122	-	277	399
Depreciation				
At 1 November 2019	79	61	250	390
Charge for the year on owned assets	10	-	10	20
Disposals	-	(61)	-	(61)
At 31 October 2020	89	-	260	349
Net book value				
At 31 October 2020	33	-	17	50
At 31 October 2019	43	355	23	421

13. Tangible fixed assets (continued)

Company

	Short-term leasehold property £000	Fixtures and fittings £000	Total £000
Cost or valuation			
At 1 November 2019	122	273	395
Additions	-	4	4
At 31 October 2020	122	277	399
Depreciation			
At 1 November 2019	79	250	329
Charge for the year on owned assets	10	10	20
At 31 October 2020	89	260	349
Net book value			
At 31 October 2020	33	17	50
At 31 October 2019	43	23	66

14. Stock

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Gold bullion	**13,268**	12,969	**13,268**	12,969
Silver bullion	**7,636**	8,304	**7,636**	8,304
Platinum bullion	**793**	1,362	**793**	1,362
Whisky	**-**	860	**-**	-
Other stocks	**-**	282	**-**	-
	21,697	23,777	**21,697**	22,635

15. Fixed asset investments

Company

	Other fixed asset investments £000
At 1 November 2019	**2,000**
Disposals	**(2,000)**
At 31 October 2020	**-**
Net book value	
At 31 October 2020	**-**
At 31 October 2019	2,000

15. Fixed asset investments (continued)

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held 2020	2019
Subsidiary Undertakings				
Bullionvault Limited	England	Ordinary	100%	100%
Bullionvault Clients Limited	England	Ordinary	100%	100%
WhiskyInvestDirect Limited	England	Ordinary	0%	87.5%
James Eadie Limited	England	Ordinary	0%	87.5%

Subsidiary undertakings

Bullionvault Limited
The principal activity of Bullionvault Limited is providing administrative services to the group.

Profit/(Loss) for the year ended 31 October 2020 - £2
Aggregate of share capital and reserves at 31 October 2020 - £120,863

BullionVault Clients Limited
The principal activity of BullionVault Clients Limited is holding of client assets.

Profit/(Loss) for the year ended 31 October 2020 - £22
Aggregate of share capital and reserves at 31 October 2020 - £5,176

WhiskyInvestDirect Limited
The principal activity of WhiskyInvestDirect is that of a whisky trading platform.

On 15 September 2020 WhiskyInvestDirect Limited was demerged from the group of Galmarley Limited.

See note 26 for further details.

James Eadie Limited
The principal activity of James Eadie Limited is that of a specialist whisky developer.

On 5 May 2020 James Eadie Limited was demerged from the group of Galmarley Limited.

See note 26 for further details.

16. Debtors

	Group 2020 £000	*Group 2019 £000*	**Company 2020 £000**	*Company 2019 £000*
Trade debtors	**12**	118	**12**	56
Unsettled client trades receivable**	**361**	2,828	**361**	2,828
Amounts owed by group undertakings	**-**	-	**75**	340
Foreign exchange trades*	**3,555**	1,103	**3,555**	1,103
Other debtors	**485**	350	**485**	306
Main market bullion settlements*	**25,333**	21,999	**25,333**	21,999
Prepayments and accrued income	**83**	437	**83**	399
	29,829	26,835	**29,904**	27,031

* Generally, these amounts are settled within 48 hours

** Open trades where clients' funds have already been received and are held in trust pending settlement.

17. Cash and cash equivalents

	Group 2020 £000	*Group 2019 £000*	**Company 2020 £000**	*Company 2019 £000*
Cash at bank and in hand	**25,462**	23,619	**25,445**	20,359
	25,462	23,619	**25,445**	20,359

18. Creditors: Amounts falling due within one year

	Group 2020 £000	*Group 2019 £000*	Company 2020 £000	*Company 2019 £000*
Main market bullion settlements*	**25,005**	22,187	**25,005**	22,187
Loans and borrowings	**6,371**	5,300	**6,371**	5,300
Unsettled clients trades payable**	**3,626**	2,861	**3,626**	2,860
Trade creditors	**81**	67	**81**	40
Amounts owed to group undertakings	**-**	-	**212**	140
Corporation tax	**1,053**	659	**1,053**	659
Other taxation and social security	**105**	81	**104**	79
Foreign exchange trades*	**341**	978	**341**	978
Other creditors	**6**	195	**7**	8
Accruals and deferred income	**1,411**	1,591	**1,384**	1,205
Preference share dividends accrued	**-**	52	**-**	-
	37,999	33,971	**38,184**	33,456

* Generally, these amounts are settled within 48 hours

** Open trades where clients' funds have already been received and are held in trust pending settlement.

19. Creditors: Amounts falling due over one year

	Group 2020 £000	Group 2019 £000	Company 2020 £000	*Company 2019 £000*
Loans and borrowings	**4,205**	4,931	**4,205**	3,376
	4,205	4,931	**4,205**	3,376

20. Loans and borrowings

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Amounts falling due within one year				
Other borrowings	**6,371**	5,300	**6,371**	5,300
	6,371	5,300	**6,371**	5,300

Other loans include £6,352,000 (2019 : £5,285,000) in respect of loans denominated in gold and £19,000 (2019 : £15,000) loans denominated in silver. These loans are repayable in gold and silver bullion respectively and the liability has been valued at the relevant closing pm fix as determined by the London Bullion Market Association. Interest on gold and silver debts is payable at 1.25%. Redemption of these loans can be made at any time by way of one months notice given by either the group or lender. These loans of bullion are from individuals to the group and there is no impact on the segregation of the bullion owned by BullionVault customers.

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Amounts falling due over one year				
Redeemable preference shares	-	1,555	-	-
Other borrowings	**4,205**	3,376	**4,205**	3,376
	4,205	4,931	**4,205**	3,376

The loans due in more than one year relate to loans denominated in gold bullion of £3,930,000 (2019 : £3,166,000) and silver bullion of £275,000 (2019 : £210,000). The changes from year to year mainly reflect changes in value and the amount of gold and silver remains constant. During the year 4.5kg of gold was redeemed.

The gold and silver loans have no final maturity date and can only be repaid with the agreement of both parties. It is the intention that these are long term loans to the group. As with gold and silver loans falling due in less than one year, the loans are repayable in gold and silver respectively and liability has been valued at the relevant closing pm fix as determined by the London Bullion Market Association. Interest on these loans is payable at 7% per annum and is computed on the value of gold and silver loans respectively based on the value of gold or silver at 31 March each year.

20. Loans and borrowings (continued)

Redeemable convertible preference shares

The redeemable preference shares issued by subsidiary company WhiskyInvestDirect Limited (until 15 September 2020) are accounted for as debt rather than equity in accordance with accounting standards.

The redeemable preference shares are redeemable at the option of the holder between 1 May 2019 and 31 May 2019 or 1 May 2025 and 31 May 2025. They are redeemable at £1 per share together with any unpaid cumulative preference dividend at the time of redemption and carry no voting rights.

The holder has the right to purchase one ordinary share of £0.01 each per preference share redeemed between 1 May 2025 and 31 May 2025 for consideration of £1 each.

If the shares are not redeemed by the holder during either of the periods then the company can enforce redemption after 31 May 2025.

21. Commitments under operating leases

At 31 October the Group and Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £000	*Group 2019 £000*	**Company 2020 £000**	*Company 2019 £000*
Within one year	**159**	159	**159**	159
Between 1-5 years	**636**	636	**636**	636
Over 5 years	**636**	795	**636**	795
	1,431	1,590	**1,431**	1,590

22. Deferred taxation

Group

	2020 £000	*2019 £000*
At beginning of year	**(62)**	(51)
Charged to profit or loss	**-**	(11)
Removed via disposal of subsidiary as distribution to shareholders	**62**	-
At end of year	**-**	(62)

22. Deferred taxation (continued)

	Group 2020 £000	*Group 2019 £000*
Accelerated capital allowances	-	(62)
	-	(62)

23. Share based payments

During the year ended 31 October 2013, the company established a government approved Enterprise Management Incentive (EMI) share option scheme:

The option scheme is described below:

Type of arrangement	EMI
Date of grant	1 May 2013
Number granted	9,316
Contractual life	10 years

The directors considered the fair value at the date of grant of each share option granted as required by FRS 20 Share Based Payment, which was in place at the date of grant. Taking into account uncertainty of the various inputs to option pricing models of his and similar companies, the directors considered that the fair value of the share options granted would not lead to a material profit and loss charge being required and accordingly no share based payment charge was made.

23. Share based payments (continued)

	Number of options 2020	Weighted average exercise price 2020 £	Number of options 2019	Weighted average exercise price 2019 £
Outstanding at start of the year	2,095	186	2,095	186
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Modified	-	-	-	-
Outstanding at end of year	2,095	186	2,095	186
Exercisable at end of year	2,095	186	2,095	186

During the year ended 31 October 2017 a modification to the scheme occurred with options over 6,335 shares exercisable at £156.36 transferred to the company's new share option schemes.

During the year ended 31 October 2017, the company granted new share options with scheme details set out below.

The fair value of these settled options is estimated at the date of grant using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The services received are recognised over the expected vesting period.

The expense recognised for equity settled share based payments in respect of employee services received during the year to 31 October 2020 is £9,091 (2019 : £4,629).

	Number of options 2020	Weighted average price 2020 £	Number of options *2019*	Weighted average price *2019* £
Outstanding at start of the year	10,536	88	10,816	91
Granted	-	-	-	-
Forfeited	-	-	(280)	156
Exercised	(82)	156	-	-
Outstanding at end of year	10,454	88	10,536	88
Exercisable at end of year	9,637	88	8,880	86

The share options were granted on 22 February 2017 and have varying exercise prices and vesting periods with a contractual life of 10 years.

24. Pension commitments

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £96,446 (2019 : £97,161). The assets of the scheme are held separately from those of the group in an independently administered fund. At the year end there were no amounts due (2019 : £nil) in relation to unpaid pension scheme contributions.

25. Financial instruments

	Group 2020 £000	*Group 2019 £000*	**Company 2020 £000**	*Company 2019 £000*
Financial assets measured at amortised cost				
Cash and cash equivalents	**25,462**	23,619	**25,445**	20,359
Trade debtors	**12**	118	**12**	56
Unsettled client trades receivable	**361**	2,828	**361**	2,828
Other debtors	**485**	350	**485**	306
Prepayments and accrued income	**83**	437	**83**	399
	26,403	27,352	**26,386**	23,948

	Group 2020 £000	*Group 2019 £000*	**Company 2020 £000**	*Company 2019 £000*
Financial liabilities measured at amortised cost				
Unsettled client trades payable	**3,626**	2,861	**3,626**	2,861
Trade creditors	**81**	67	**81**	67
Amounts owed to group undertakings	**-**	-	**212**	140
Corporation tax	**1,053**	659	**1,053**	659
Other taxation and social security	**105**	81	**104**	79
Other creditors	**6**	195	**7**	8
Accruals and deferred income	**1,411**	1,591	**1,384**	1,205
Preference share dividends accrued	**-**	52	**-**	-
	6,282	5,506	**6,467**	5,019

25. Financial instruments (continued)

	Group 2020 £000	Group 2019 *£000*	**Company 2020 £000**	*Company 2019 £000*
Financial assets measured at fair value				
Foreign exchange trades	**3,555**	1,103	**3,555**	1,103
Main market bullion settlements	**25,333**	21,999	**25,333**	21,999
	28,888	23,102	**28,888**	23,102

	Group 2020 £000	Group 2019 *£000*	**Company 2020 £000**	*Company 2019 £000*
Financial liabilities measured at fair value				
Main market bullion settlements	**25,005**	22,187	**25,005**	22,187
Foreign exchange trades	**341**	978	**341**	978
Loans and borrowings	**10,576**	10,231	**10,576**	10,231
	35,922	33,396	**35,922**	33,396

The loans denominated in gold and silver bullion are valued by using the relevant closing pm fix as determined with reference to the London Bullion Market Association. All main market bullion settlements are valued with reference to the LBMA daily price and are expected to settle within the normal market cycle of two days.

Main market trades which are unsettled at the year end are executed with reputable London bullion dealers, all of which are members of the London Bullion Market Association. The company buys bullion from them usually for settlement within 24 or 48 hours and is required to pay before receipt of bullion, on the day settlement is due. Making that payment prior to delivery exposes the company to a potential counterparty default, which is considered to be well controlled and modest. The company is not at material risk from customer default because customers can only purchase bullion with cleared money already received by the company. Similarly customers can only sell bullion already in the custody of the company.

The company enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency receivables. At 31 October 2020, the outstanding contracts all mature within 2 days (2019 : 2 days) of the year end. The company is committed to sell US$70,318, JPY 23,000,000, £54,224 and €70,000 and received a fixed sterling amount.

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key assumptions used in valuing the derivatives are the forward exchange rates for EUR:USD, GBP:JPY, GBP:USD and GBP:EUR. The company has no interest rate derivative financial instruments (2019 : none).

26. Disposal of subsidiaries

On 15 September 2020, the group disposed of its interest in WhiskyInvestDirect Limited. No proceeds were received as part of the disposal.

The subsidiary was disposed of via a dividend in specie and therefore has been recognised as a distribution to the shareholders of Galmarley Limited within the Statement of Changes in Equity.

The effect of the disposal on the net assets of the group was as follows:

Effect of disposal of subsidiary	**2020** **£000**
Tangible fixed assets	**325**
Stock	**2,364**
Cash at bank	**278**
Debtors	**2,078**
Creditors	**(2,264)**
Net assets disposed	**2,781**

On 5 May 2020 the group disposed of its interest in James Eadie Limited. No proceeds were received as as part of the disposal.

The subsidiary was sold for consideartion of £1 and has been recognised as gain on disposal within the Statement of Comprehensive Income.

The effect of the disposal on the net assets of the group was as follows:

Effect of disposal of subsidiary	**2020** **£000**
Fixed assets	**46**
Stock	**30**
Cash at bank	**313**
Debtors	**48**
Creditors	**(764)**
Net liabilities disposed	**(327)**

27. Related party transactions

The company has taken advantage of the exemption contained in Section 33 of Financial Reporting Standard 102 'Related Party Disclosures' from disclosing transactions with entities which are part of the group, since 100% of the voting rights in the company are controlled within the group, and the company is included within the group accounts which are publicly available.

Group

Other transactions with directors

The only key management personnel are the directors. The aggregate compensation paid to them is shown in note 7.

During the year the directors made personal purchases of bullion from the company of £770,401 and sales of bullion to the company of £682,937 which have been settled as normal clients paying in personal funds. At the balance sheet date the amounts due from the directors in regards to these transactions was £Nil.

During the year other related parties made purchases of bullion from the company of £30 and sales of bullion to the comapny of £12,123 which have been settled as normal clients paying in personal funds. At the balance sheet date the amounts due from other related parties in regards to these transactions was £Nil.

During the year the company paid dividends totaling £2,800,296 (2019 : £840,089) to one of the directors.

During the year the company paid dividends totalling £51,300 (2019 : £15,390) to other related parties.

Dividends were paid to other related parties who held preference shares held by the group during the year. The amount of dividends paid in the year to other related parties was £345.

Included within other borrowings are loans of gold and silver to the company to support its trading activities from PG Tustain and his spouse. Interest is paid at 7% per annum based on the valuation of gold or silver at 31 March each year and interest of £227,683 (2019 : £176,000) has been charged to the profit and loss account. These loans have no final maturity date and can only be redeemed with the agreement of the company. At the balance sheet date the company owed PG Tustain and his spouse £3,437,307 (2019 : £3,165,619) and £479,793 (2019: £210,176) to the pension scheme of PG Tustain.

Included within other borrowings are loans of bullion to the company to support its trading activities from the personal pension scheme of P G Tustain. Interest is paid at 7% per annum based on the valuation of the gold or silver at 31 March each year and interest of £33,864 (2019 : £26,000) has been charged to the profit and loss account. These loans have no final maturity date and can only be redeemed with the agreement of the company.

During the year the group had recharge agreements in place with WhiskyInvestDirect Limited, a company under common ownership. These recharges have been reflected in the accounts against the corresponding expenditure. In relation to recharges the group received £136,619 (2019 : £114,603) and paid £1,288 (2019 : £2,875).

Included within debtors, amounts due within one year was a balance due from WhiskyInvestDirect Limited of £10,193 (2019 : £17,181). This balance is interest free and repayable on demand.

27. Related party transactions (continued)

Company

Summary of transactions with all subsidiaries

The company maintains interest free intercompany accounts with its subsidiaries which are repayable on demand and are primarily used for costs related to IT, operational and financial support provided by the company. At the balance sheet date the company was due £Nil (2019 : £640,000) from its subsidiaries who are not fully owned.

28. Post balance sheet events

A final dividend of £5.55 per £1 ordinary share was paid in January 2021 (in respect of the year to Oct 31 2020).

29. Controlling party

The directors do not believe there to be an ultimate controlling party.

Augmentum Fintech

Augmentum Fintech is the UK's only publicly listed investment company focusing on the fintech sector in the UK and wider Europe. The earlier iteration of the fund (Augmentum Capital) bought a minority shareholding in Galmarley Ltd in June 2010.

Deloitte – Fast 50 Tech

Global auditing and consultancy specialist Deloitte counted London-based BullionVault as the UK's 14th fastest-growing tech business in 2012. BullionVault's 5-year turnover growth of 1261% put it amongst the top 100 tech companies in Europe, the Middle East & Africa.

The London Bullion Market Association

On 1st September 2008 we were elected into the London Bullion Market Association which represents the largest of the world's physical bullion markets.

MoneyWeek – Best Gold Broker

MoneyWeek is the UK's best-selling financial magazine. In November 2014, readers voted BullionVault the best gold broker in the first ever MoneyWeek Awards.

Queen's Award for Enterprise

In April 2013, BullionVault received a [Queen's Award for International Trade](), the UK's most prestigious business award, adding to its 2009 award for Enterprise Innovation. Selected by government, commercial and business advisors, the Awards are conferred by the Queen in consultation with the British prime minister's office, and awarded for outstanding achievement in business.

Founder & CEO Paul Tustain receives BullionVault's second Queen's Award for Enterprise, presented by Sandy Cahill, Representative Deputy Lieutenant for the London Borough of Hammersmith & Fulham.