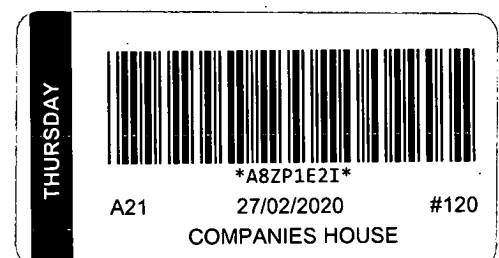


Company Registration No. 10790982 (England and Wales)

AIC COMMODITIES (UK) LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019

"AMENDED"



AIC COMMODITIES (UK) LTD

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AIC COMMODITIES (UK) LTD

COMPANY INFORMATION

Director	Mr G E E Von Kayser
Company number	10790982
Registered office	27 Old Gloucester Street LONDON WC1N 3AX
Auditor	King & King Chartered Accountants & Statutory Auditors First Floor Roxburghe House 273 - 287 Regent Street London W1B 2HA

AIC COMMODITIES (UK) LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MAY 2019

The director presents the strategic report for the year ended 31 May 2019.

Fair review of the business

The principal activity of the company is commodity trading of metal and metal ores.

During the period, the company achieved a turnover and profit after tax of 102.79 million and 0.15 million respectively.

Future developments

The company continues its efforts in increasing turnover and profitability by exploring new opportunities in existing and new markets and products. Generally, the directors are optimistic about the company's future growth and prospects.

Principal risks and uncertainties

All businesses are subject to risks and many individual risks are macro-economic or social and common across many businesses. The key risks are those which could materially damage the company's strategy, reputation, business, profitability or assets. The principal financial risks to which the company is exposed are those of liquidity, market condition, credit, cash flow and foreign currency. Each of these risks is managed in accordance with board approved policies which are set out below. This list is in no particular order and is not an exhaustive list of all potential risks. Some risks may be unknown and it may transpire that others currently considered immaterial become material.

Liquidity Risk:

The company manages liquidity risk by maintaining access to a number of sources of funding, including debt assignment agreement and bank loan, which are sufficient to meet anticipated funding requirements. The company endeavours to minimise risks by the use of documentary finance assignment instruments. The directors review the company's on-going liquidity risks regularly and constantly keep a tab on debtors receivable and creditor payable.

Economic, market and price risk:

The company's performance is directly impacted by the economic environment. The company operates in a highly competitive market and price competition can adversely affect the company's result. The company endeavour to manage price risk by placing purchase order with supplier only after some degree of assurance is achieved for the sale of the goods being ordered.

Credit Risk:

The company is at risk of exposure to financial losses should a counter party fail to meet its obligations as and when they fall due. The credit risk is managed by setting credit limits as deemed appropriate for each customer.

Cash flow Risk:

The company is reliant on documentary finance assignment arrangements. Hence, not exposed to material cash flow risk. The directors closely monitor the cash flow position.

Foreign currency Risk:

The company has transactional currency exposures arising from sales and purchases in foreign currencies. The company manages this risk by matching sales and purchases with the same currency, whenever possible. In order to avoid exchange fluctuation distorting the financial results of the company it reports its financial statements in US Dollar which is its main trading currency.

Going concern

The directors, having reviewed the accounts and after making appropriate enquiries, consider that the company has adequate resources to continue in the operational existence for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the financial statements.

AIC COMMODITIES (UK) LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

Other performance indicators

The company uses the following Key Performance Indicators to ensure it has the ability to successfully grow the business in the long term :

Revenue:	\$ 102.79 million
Trade debtors days:	54 days
Trade creditors days:	53 days
Current ratio:	0.62

On behalf of the board



Mr G E E Von Kayser
Director
25 February 2020

AIC COMMODITIES (UK) LTD

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MAY 2019

The director presents his annual report and financial statements for the year ended 31 May 2019.

Principal activities

The principal activity of the company during the year under review was that of wholesale of metal and metal ores.

Fair review of the business

The principal activity of the company is commodity trading of metal and metal ores.

During the period, the company achieved a turnover and profit after tax of 102.79 million and 0.15 million respectively.

Future developments

The company continues its efforts in increasing turnover and profitability by exploring new opportunities in existing and new markets and products. Generally, the directors are optimistic about the company's future growth and prospects.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mr G E E Von Kayser

Results and dividends

The results for the year are set out on page 10.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Auditor

King & King were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

AIC COMMODITIES (UK) LTD

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

On behalf of the board

Göe v. 

Mr G E E Von Kayser

Director

25 February 2020

AIC COMMODITIES (UK) LTD

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MAY 2019

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

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

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

AIC COMMODITIES (UK) LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AIC COMMODITIES (UK) LTD

Opinion

We have audited the financial statements of AIC Commodities (UK) Ltd (the 'company') for the year ended 31 May 2019 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2019 and of its 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

Other information

The director is 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

AIC COMMODITIES (UK) LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AIC COMMODITIES (UK) LTD

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Other matters which we are required to address

The financial statements of the company for the period ended 31st May 2018 (comparatives) was not audited. As such, we do not express any opinion on the comparatives.

AIC COMMODITIES (UK) LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF AIC COMMODITIES (UK) LTD

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 him 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.



**Milankumar H Patel (Senior Statutory Auditor)
for and on behalf of King & King**

Chartered Accountants and Statutory Auditor
First Floor Roxburghe House
273 - 287 Regent Street
London
W1B 2HA

25 February 2020

AIC COMMODITIES (UK) LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2019

	Notes	ended 31 May 2019 \$	period ended 31 May 2018 \$
Turnover	3	102,794,269	-
Cost of sales		(102,534,890)	-
Gross profit		259,379	-
Administrative expenses		(74,410)	-
Profit before taxation		184,969	-
Tax on profit	6	(35,144)	-
Profit for the financial year		149,825	-

The profit and loss account has been prepared on the basis that all operations are continuing operations.

AIC COMMODITIES (UK) LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MAY 2019

	2019 \$	Period ended 2018 \$
Profit for the year	149,825	-
Other comprehensive income	-	-
Total comprehensive income for the year	<u>149,825</u>	<u>-</u>

AIC COMMODITIES (UK) LTD

BALANCE SHEET


AS AT 31 MAY 2019

	Notes	2019 \$	\$	2018 \$	\$
Current assets					
Debtors	7	15,116,497			
Investments	8	9,304,300			
Cash at bank and in hand		1		1	
		<u>24,420,798</u>		<u>1</u>	
Creditors: amounts falling due within one year	9	<u>(24,270,972)</u>			
Net current assets		<u>149,826</u>		<u>1</u>	
Capital and reserves					
Called up share capital	10		1		1
Profit and loss reserves			149,825		-
Total equity		<u>149,826</u>		<u>1</u>	

The financial statements were approved and signed by the director and authorised for issue on 25 February 2020

Mr G E E Von Kayser
Director

Company Registration No. 10790982

GöL v. 

AIC COMMODITIES (UK) LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2019

	Notes	Share capital \$	Profit and loss reserves \$	Total \$
Balance at 26 May 2017		-	-	-
Period ended 31 May 2018:				
Profit and total comprehensive income for the period		-	-	-
Issue of share capital	10	1	-	1
Balance at 31 May 2018		1	-	1
Year ended 31 May 2019:				
Profit and total comprehensive income for the year		-	149,825	149,825
Balance at 31 May 2019		1	149,825	149,826

AIC COMMODITIES (UK) LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2019

	Notes	2019 \$	\$	2018 \$	\$
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	14	9,304,300		-	
Investing activities					
Proceeds from other investments and loans		(9,304,300)		-	
Net cash used in investing activities		(9,304,300)			
Financing activities					
Proceeds from issue of shares		-		1	
Net cash (used in)/generated from financing activities			-		1
Net increase in cash and cash equivalents			-		1
Cash and cash equivalents at beginning of year			1		-
Cash and cash equivalents at end of year			1		1

AIC COMMODITIES (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

1 Accounting policies

Company information

AIC Commodities (UK) Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 27 Old Gloucester Street, LONDON, WC1N 3AX.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in US Dollar, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest \$.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

AIC COMMODITIES (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

1 Accounting policies

(Continued)

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

A subsidiary which is held exclusively with a view to subsequent resale and which has not been previously consolidated are excluded from consolidation.

AIC COMMODITIES (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

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 finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

AIC COMMODITIES (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.8 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

1.9 Consolidation

At the balance sheet date, the company has an investment in a subsidiary which was held exclusively with a view to resale. Hence the company has applied section 9.9 of FRS102 and have not prepared a consolidated group accounts.

AIC COMMODITIES (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2019

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

	2019 \$	2018 \$
Turnover analysed by class of business		
Sales of goods	102,794,269	-
	<u>102,794,269</u>	<u>-</u>
	2019 \$	2018 \$
Turnover analysed by geographical market		
EU	87,465,819	-
The rest of the world	15,328,450	-
	<u>102,794,269</u>	<u>-</u>

4 Operating profit

	2019 \$	2018 \$
Operating profit for the year is stated after charging:		
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2019 \$	2018 \$
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	13,610	-
	<u>13,610</u>	<u>-</u>

6 Taxation

	2019 \$	2018 \$
Current tax		
UK corporation tax on profits for the current period	35,144	-
	<u>35,144</u>	<u>-</u>

AIC COMMODITIES (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2019

6 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2019 \$	2018 \$
Profit before taxation	184,969	-
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	35,144	-
Taxation charge in the financial statements	35,144	-

7 Debtors

	2019 \$	2018 \$
Amounts falling due within one year:		
Trade debtors	15,116,497	-

8 Current asset investments

	2019 \$	2018 \$
Unlisted investments	9,304,300	-

The above investment represents 100% share capital in a subsidiary, SIMEC GHR Lochaber 2 Limited; which is held exclusively with a view to subsequent resale and it has not been previously consolidated. Hence, in accordance with Section 9.9 of FRS 102 the subsidiary has been excluded from consolidation. The investment in subsidiary is pledged to a bank to secure loan of SIMEC GHR Lochaber 2 Limited.

9 Creditors: amounts falling due within one year

	2019 \$	2018 \$
Trade creditors	14,917,118	-
Amounts owed to group undertakings	9,304,300	-
Corporation tax	35,144	-
Accruals and deferred income	14,410	-
	24,270,972	-

AIC COMMODITIES (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2019

10 Share capital

	2019	2018
	\$	\$
Ordinary share capital		
Issued and fully paid		
1 Ordinary shares of \$1 each	1	1

11 Events after the reporting date

The investment in subsidiary was sold after the reporting date.

12 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

The company has obtained a loan of \$9,304,300 from an unconsolidated subsidiary (also refer to note 8). The balance outstanding and due to the subsidiary is \$9,304,300 (2018: \$ Nil). The company has pledged its investment in the subsidiary to a bank to secure a loan of \$9,304,300 obtained by the subsidiary from the said bank. The loan from subsidiary is interest free and repayable on demand.

13 Ultimate controlling party

The ultimate holding company is Giffin Limited (British Virgin Island) and the immediate parent company is AIC Commodities (Asia) Limited (Hongkong).

The ultimate controlling party is Mr. G E E Von Kayser.

14 Cash generated from/(absorbed by) operations

	2019	2018
	\$	\$
Profit for the year after tax	149,825	-
Adjustments for:		
Taxation charged	35,144	-
Movements in working capital:		
Increase in debtors	(15,116,497)	-
Increase in creditors	24,235,828	-
Cash generated from/(absorbed by) operations	9,304,300	-