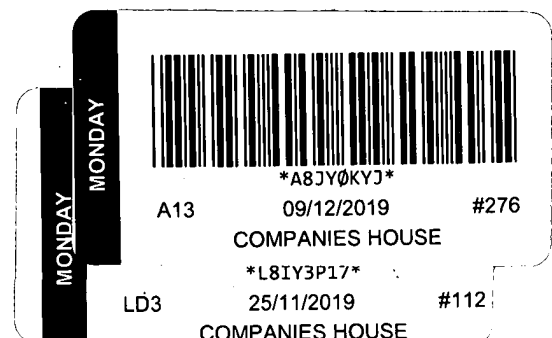


Co Hse Version

REGISTERED NUMBER: 11568690 (England and Wales)

REPORT OF THE DIRECTORS AND  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE PERIOD 14TH SEPTEMBER 2018 TO 28TH FEBRUARY 2019  
FOR  
RHODIUM INTERNATIONAL TRADING UK LIMITED



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FOR THE PERIOD 14TH SEPTEMBER 2018 TO 28TH FEBRUARY 2019

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**RHODIUM INTERNATIONAL TRADING UK LIMITED**

**COMPANY INFORMATION**  
**FOR THE PERIOD 14TH SEPTEMBER 2018 TO 28TH FEBRUARY 2019**

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**DIRECTORS:**

J A Galani  
H L Cheam

**REGISTERED OFFICE:**

Part 1st Floor, South Minster House  
42 Mincing Lane  
London  
EC3R 7AE

**REGISTERED NUMBER:**

11568690 (England and Wales)

REPORT OF THE DIRECTORS  
FOR THE PERIOD 14TH SEPTEMBER 2018 TO 28TH FEBRUARY 2019

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The directors present their report with the financial statements of the company for the period 14th September 2018 to 28th February 2019.

**INCORPORATION**

The company was incorporated on 14th September 2018.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was that of trading in commodities.

**DIRECTORS**

The directors who have held office during the period from 14th September 2018 to the date of this report are as follows:

J A Galani - appointed 14th September 2018

H L Cheam - appointed 14th September 2018


Both the directors who are eligible offer themselves for election at the forthcoming first Annual General Meeting.

**AUDIT EXEMPTION**

The company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the period ended 28th February 2019. The parent undertaking has provided a guarantee under section 479c of the Companies Act 2006.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

 John A. GALANI

Director

Date: 08/4/19

STATEMENT OF PROFIT OR LOSS

FOR THE PERIOD 14TH SEPTEMBER 2018 TO 28TH FEBRUARY 2019

	Notes	\$
<b>CONTINUING OPERATIONS</b>		
Revenue		7,331,476
Cost of sales		(6,984,562)
<b>GROSS PROFIT</b>		<b>346,914</b>
Administrative expenses		(49,856)
<b>OPERATING PROFIT</b>		<b>297,058</b>
Finance costs	4	(103,994)
<b>PROFIT BEFORE INCOME TAX</b>	5	<b>193,064</b>
Income tax	6	(36,682)
<b>PROFIT FOR THE PERIOD</b>		<b>156,382</b>

The notes form part of these financial statements

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD 14TH SEPTEMBER 2018 TO 28TH FEBRUARY 2019

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	\$
<b>PROFIT FOR THE PERIOD</b>	<b>156,382</b>
<b>OTHER COMPREHENSIVE INCOME</b>	<b>-</b>
	<hr/>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b><u>156,382</u></b>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION  
28TH FEBRUARY 2019

	Notes	\$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Trade and other receivables	7	7,355,754
Cash and cash equivalents	8	216,912
		<u>7,572,666</u>
<b>TOTAL ASSETS</b>		<u>7,572,666</u>
<b>EQUITY</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Called up share capital	9	1,312
Retained earnings	10	156,382
		<u>157,694</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	11	1,213,080
Financial liabilities - borrowings		
Interest bearing loans and borrowings	12	6,165,210
Tax payable		36,682
		<u>7,414,972</u>
<b>TOTAL LIABILITIES</b>		<u>7,414,972</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>7,572,666</u>

The company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the period ended 28th February 2019.

The members have not required the company to obtain an audit of its financial statements for the period ended 28th February 2019 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.


The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION - continued  
28TH FEBRUARY 2019

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The financial statements were approved by the Board of Directors on ..... 08/4/19 ..... and were signed on its behalf by:

.....  
Director

 John A GAIANI

The notes form part of these financial statements

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STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD 14TH SEPTEMBER 2018 TO 28TH FEBRUARY 2019

	<b>Called up share capital \$</b>	<b>Retained earnings \$</b>	<b>Total equity \$</b>
<b>Changes in equity</b>			
Issue of share capital	1,312	-	1,312
Total comprehensive income	-	156,382	156,382
	<hr/>	<hr/>	<hr/>
<b>Balance at 28th February 2019</b>	<b>1,312</b>	<b>156,382</b>	<b>157,694</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

STATEMENT OF CASH FLOWS

FOR THE PERIOD 14TH SEPTEMBER 2018 TO 28TH FEBRUARY 2019

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		\$
<b>Cash flows from operating activities</b>		
Cash generated from operations	1	(5,879,562)
Interest paid		(70,048)
		<hr/>
Net cash from operating activities		(5,949,610)
		<hr/>
<b>Cash flows from financing activities</b>		
New loans in year		6,165,210
Share issue		1,312
		<hr/>
Net cash from financing activities		6,166,522
		<hr/>
<b>Increase in cash and cash equivalents</b>		216,912
<b>Cash and cash equivalents at beginning of period</b>	2	-
		<hr/>
<b>Cash and cash equivalents at end of period</b>	2	216,912
		<hr/> <hr/>

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE PERIOD 14TH SEPTEMBER 2018 TO 28TH FEBRUARY 2019

1. **RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	\$
Profit before income tax	193,064
Finance costs	103,994
	<u>297,058</u>
Increase in trade and other receivables	(7,355,754)
Increase in trade and other payables	1,179,134
	<u>1,179,134</u>
<b>Cash generated from operations</b>	<b><u>(5,879,562)</u></b>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Period ended 28th February 2019**

	<b>28/2/19</b>	<b>14/9/18</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	<b><u>216,912</u></b>	<b><u>-</u></b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD 14TH SEPTEMBER 2018 TO 28TH FEBRUARY 2019

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1. **STATUTORY INFORMATION**

Rhodium International Trading UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

**Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The financial statements cover a period from 14th September 2018 (date of incorporation) to 28th February 2019 and do not include any comparative figures. The year-end of the Company was shortened so as to align it to the Parent Company.

**Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

**Sale of commodities**

Revenue from the sale of commodities in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of commodities can be estimated reliably, there is no continuing management involvement with the commodities and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as sales are recognised.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 14TH SEPTEMBER 2018 TO 28TH FEBRUARY 2019

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2. ACCOUNTING POLICIES - continued

**Taxation**

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other Comprehensive Income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 14TH SEPTEMBER 2018 TO 28TH FEBRUARY 2019

2. **ACCOUNTING POLICIES - continued**

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

**Foreign currencies**

The financial statements are presented in US Dollars, which is the functional and presentational currency of the Company.

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting date are translated to the functional currency at the exchange rate on that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

**Accounting estimates and judgments**

The preparation of the financial statements requires management to make assumptions and estimates that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities at the date of these financial statements. If in the future such assumptions and estimates deviate from the actual circumstances, the original assumptions and estimates will be modified as appropriate in the year in which the circumstances change.

The valuation of the following material positions is based on critical accounting estimates and judgments:

- Impairment losses on receivables

The Company reviews its receivables to assess impairment at least on an annual basis. The Company's credit risk is primarily attributable to its trade receivables, other receivables and due from related parties. In determining whether impairment losses should be reported in the profit or loss, the Company makes judgments to determine whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for impairment is estimated based on the expected credit loss model which considers the exposure at default ('EAD'), probability of default ('PD') and loss given default ('LGD'). A forward-looking overlay is applied to arrive at the lifetime expected credit loss allowance. Should these estimates vary, the profit or loss and financial position of the following year(s) would be impacted significantly.

3. **EMPLOYEES AND DIRECTORS**

There were no staff costs for the period ended 28th February 2019.

Directors' remuneration

\$

Director and staff services are provided by Rhodium Europe Limited (immediate parent undertaking) and by Rhodium Resources Pte Ltd.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 14TH SEPTEMBER 2018 TO 28TH FEBRUARY 2019

**4. NET FINANCE COSTS**

	\$
Finance costs:	
Bank interest	33,946
Foreign exchange losses	18,905
Bank charges	51,143
	<u>103,994</u>

**5. PROFIT BEFORE INCOME TAX**

The profit before income tax is stated after charging:

	\$
Cost of inventories recognised as expense	<u>6,984,562</u>

**6. INCOME TAX****Analysis of tax expense**

	\$
Current tax:	
Taxation	36,682
Total tax expense in statement of profit or loss	<u>36,682</u>

**7. TRADE AND OTHER RECEIVABLES**

	\$
Current:	
Trade debtors	7,331,476
Prepayments and accrued income	24,278
	<u>7,355,754</u>

**8. CASH AND CASH EQUIVALENTS**

	\$
Bank accounts	<u>216,912</u>

**9. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	\$
1,000	Ordinary	£1	<u>1,312</u>

1,000 Ordinary shares of £1 each were allotted and fully paid for cash at par during the period.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 14TH SEPTEMBER 2018 TO 28TH FEBRUARY 2019

10. **RESERVES**

**Retained  
earnings**  
\$

Profit for the period	<b>156,382</b>
At 28th February 2019	<b>156,382</b>

11. **TRADE AND OTHER PAYABLES**

\$

Current:	
Amounts owed to group undertakings	<b>1,179,134</b>
Accrued expenses	<b>33,946</b>
	<b>1,213,080</b>

12. **FINANCIAL LIABILITIES - BORROWINGS**

\$

Current:	
Bank loans - less than 1 year	<b>2,672,260</b>
Other loans - less than 1 year	<b>3,400,000</b>
	<b>6,072,260</b>

The bank and other loans are secured on the trade debtor balances of the Company and by a guarantee provided by the parent undertaking.

13. **CONTINGENT LIABILITIES**

This company and other group companies have received loan and trade finance facilities from banks and other finance providers, which are secured by group cross-guarantees and a floating charge over the company's assets.

At the year-end, the amount guaranteed by this company on behalf of other group companies was \$2,550,000.



**14. RELATED PARTY DISCLOSURES**

Details of cross-guarantees provided by this company to other group undertakings are shown in the 'Contingent Liabilities' Note to the financial statements.

**Rhodium Resources Pte Limited**

Parent undertaking

During the year, Rhodium Resources Pte Limited recharged an amount of \$4,856 to the Company for credit insurance.

The parent undertaking also paid few suppliers on behalf of the Company. The credit balance due as at the year end is unsecured and interest-free.

All bank and other corporate loan facilities are secured by a corporate guarantee provided by the parent undertaking.

	2019
	\$
Amount due to related party at the balance sheet date	1,179,134

**Rhodium Europe Limited**

Immediate parent undertaking

Rhodium Europe Limited has provided a guarantee under section 479c of the Companies Act 2006 so that the company is entitled to claim exemption from audit.

**15. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is Mr Srinivas Koneru.

The company's immediate parent undertaking is Rhodium Europe Limited, registered in England & Wales. Its registered office address is 1st Floor South Minster House, 42 Mincing Lane, London EC3R 7AE. Its consolidated financial statements can be obtained from the UK Companies House website.

The ultimate parent company is Symphonia Strategic Opportunities Limited (formerly known as Koneru Holdings Ltd), registered in Mauritius.