

REGISTERED NUMBER: 11568690 (England and Wales)

**REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 29TH FEBRUARY 2020
FOR
RHODIUM INTERNATIONAL TRADING UK LIMITED**



RHODIUM INTERNATIONAL TRADING UK LIMITED (REGISTERED NUMBER: 11568690)

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FOR THE YEAR ENDED 29TH FEBRUARY 2020

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RHODIUM INTERNATIONAL TRADING UK LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 29TH FEBRUARY 2020

DIRECTOR: H L Cheam

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

REGISTERED NUMBER: 11568690 (England and Wales)

AUDITORS: PSJ Alexander & Co
Chartered Accountants & Statutory Auditors
1 Doughty Street
London
WC1N 2PH

BANKERS: Barclays Bank plc
Freepost RLTA CSUE TCHC
Leicester
Leicestershire
LE87 2BB

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 29TH FEBRUARY 2020

The director presents his report with the financial statements of the company for the year ended 29th February 2020.

PRINCIPAL ACTIVITY

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

COVID-19 Pandemic

Subsequent to balance sheet date, the World Health Organisation has declared Corona virus (Covid-19) as a pandemic. The outbreak of Coronavirus (Covid-19) has become widely known, and has led to significant disruptions to business, economic and other activities throughout the world. The degree of the impact to the Company depends on the duration of the pandemic, the implementation of preventive measures and fiscal easing policies posted by the impacted countries. Despite some positive news on the vaccine front, the Covid-19 pandemic continues to adversely affect some businesses on several fronts and the economic forecasts remain pessimistic for 2021.

As of the date of approval of these financial statements, approximately 38% of the trade debtor balances as at 29th February 2020 have not been realised; the banks and other lenders have withdrawn all facilities due to the significant challenges created by the pandemic; and the trade credit insurers are not underwriting insurance policies for commodity trades.

On 14th January 2021, the Singaporean Court has issued a six-month moratorium in favour of Antanium Resources Pte Limited, a parent company, to aid the latter's efforts to negotiate a compromise with its creditors and lenders.

These factors and the challenging conditions caused by the pandemic give rise to material uncertainties on the appropriateness of the use of the going concern assumption in the preparation of the financial statements of the Company.

Notwithstanding the above, the Board of directors is of the view that it is appropriate to prepare these financial statements on a going concern basis after considering the following:

- the company has net assets of \$0.94m as at 29th February 2020 and net liabilities of \$1.36m as at 31st December 2020 based on the unaudited management accounts.
- the Board of directors is of the opinion that the unpaid trade debtor balances will be realised in due course which will in turn enable the company to settle its trade and other liabilities.
- the Board of Directors also noted that the Company is reliant on the financial support of Rhodium Europe Limited, the immediate parent company and from Antanium Resources Pte Limited, a parent company, which could not be confirmed due to the latter being issued a six-month moratorium by the Singaporean Court.

The Board of directors is of the opinion that taking into considerations the above, the use of the going concern assumption in preparing the accompanying financial statements is appropriate..

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

H L Cheam has held office during the whole of the period from 1st March 2019 to the date of this report.

Other changes in directors holding office are as follows:

J A Galani ceased to be a director after 29th February 2020 but prior to the date of this report.

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 29TH FEBRUARY 2020

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Report of the Director 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 International Financial Reporting Standards as adopted by the European Union. 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;
- 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 him 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

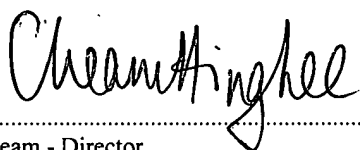
So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, PSJ Alexander & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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:



H L Cheam - Director

Date: 21st January 2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
RHODIUM INTERNATIONAL TRADING UK LIMITED

Disclaimer of opinion

We were engaged to audit the financial statements of Rhodium International Trading UK Limited (the 'company') for the year ended 29th February 2020 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

We do not express an opinion on the accompanying financial statements of the company. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

The Company's financial results and trading ability have been adversely affected by the challenging conditions caused by the Coronavirus pandemic after the balance sheet date. These difficulties could continue to negatively impact the realisation of the Company's trade balances and thus on the Company's ability to meet its liabilities as they fall due. The Company is also reliant on trade and other loan facilities from banks and other lenders as well as on credit insurance, which are not available at the date of approval of these financial statements. The Company also has net liabilities of \$1.36m based on unaudited management accounts as at 31st December 2020 and is therefore reliant on financial support from Rhodium Europe Limited, its immediate parent undertaking and on Antanium Resources Pte Limited, a parent company, which is not confirmed as of the date of approval of these financial statements. These conditions give rise to material uncertainty over the ability of the Company to continue as a going concern.

The financial statements have been prepared on going concern basis based on the assumptions as disclosed in Note 2. However, we are unable to obtain sufficient appropriate audit evidence to conclude whether the use of the going concern assumption to prepare the financial statements is appropriate as the Company's ability to realise the trade debtor balances at the expected value and timing is inherently uncertain and whether the Company will receive any trade and other facilities from banks and other lenders and credit insurance. Financial support from parent companies have not been confirmed in writing.

The carrying value of the assets as recorded on the balance sheet of the Company as at 29th February 2020 has been determined based on the continuation as a going concern and recovery in the normal course of business. If the going concern assumption is not appropriate and the financial statements were presented on a breakup basis, the carrying value of assets and liabilities may be materially different from that currently recorded in the balance sheet. If the Company were unable to continue in operational existence for the foreseeable future, the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet.

Opinions on other matters prescribed by the Companies Act 2006

Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit:

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
RHODIUM INTERNATIONAL TRADING UK LIMITED

Matters on which we are required to report by exception

Notwithstanding our disclaimer of an opinion on the financial statements, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit performed subject to the pervasive limitation described above, we have not identified material misstatements in the strategic report or the directors' report.

Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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:

- 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

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page three, 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 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.

Auditors' responsibilities for the audit of the financial statements

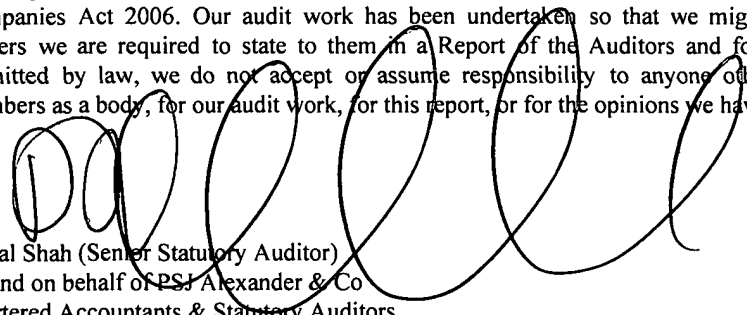
Our responsibility is to conduct an audit of the company's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report.

However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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.

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 a Report of the Auditors 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.



Vimal Shah (Senior Statutory Auditor)
for and on behalf of PSJ Alexander & Co
Chartered Accountants & Statutory Auditors
1 Doughty Street
London
WC1N 2PH

Date: 21st January 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 29TH FEBRUARY 2020

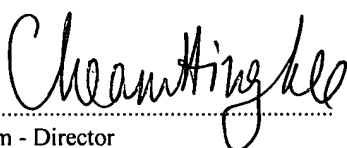
	Notes	Year ended 29/2/20 \$	Period 14/9/18 to 28/2/19 \$
CONTINUING OPERATIONS			
Revenue	3	97,694,608	7,331,476
Cost of sales		(93,265,060)	(6,984,562)
GROSS PROFIT		4,429,548	346,914
Other operating income		1,146,761	-
Administrative expenses		(2,587,606)	(68,761)
OPERATING PROFIT		2,988,703	278,153
Finance costs	5	(2,023,703)	(85,089)
PROFIT BEFORE INCOME TAX	6	965,000	193,064
Income tax	7	(180,907)	(36,682)
PROFIT FOR THE YEAR		784,093	156,382
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		784,093	156,382

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
29TH FEBRUARY 2020

	Notes	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Trade and other receivables	8	22,008,344	7,355,754
Tax receivable		63,397	-
Cash and cash equivalents	9	24,839	216,912
		<u>22,096,580</u>	<u>7,572,666</u>
TOTAL ASSETS		<u>22,096,580</u>	<u>7,572,666</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	10	1,312	1,312
Retained earnings	11	940,475	156,382
TOTAL EQUITY		<u>941,787</u>	<u>157,694</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	15,790,566	1,213,080
Financial liabilities - borrowings			
Interest bearing loans and borrowings	13	5,364,227	6,165,210
Tax payable		-	36,682
		<u>21,154,793</u>	<u>7,414,972</u>
TOTAL LIABILITIES		<u>21,154,793</u>	<u>7,414,972</u>
TOTAL EQUITY AND LIABILITIES		<u>22,096,580</u>	<u>7,572,666</u>

The financial statements were approved by the director and authorised for issue on 28 January 2021 and were signed by:



 H L Cheam - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29TH FEBRUARY 2020

	Called up share capital \$	Retained earnings \$	Total equity \$
Changes in equity			
Issue of share capital	1,312	-	1,312
Total comprehensive income	-	156,382	156,382
Balance at 28th February 2019	1,312	156,382	157,694
Changes in equity			
Total comprehensive income	-	784,093	784,093
Balance at 29th February 2020	1,312	940,475	941,787

The notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 29TH FEBRUARY 2020

		Year ended 29/2/20 \$	Period 14/9/18 to 28/2/19 \$
Cash flows from operating activities			
Cash generated from operations	1	2,844,375	(5,898,467)
Interest paid		(1,954,481)	(51,143)
Tax paid		(280,986)	-
Net cash from operating activities		608,908	(5,949,610)
Cash flows from investing activities			
Interest received		2	-
Net cash from investing activities		2	-
Cash flows from financing activities			
New loans in year		8,764,227	6,165,210
Loan repayments in year		(9,565,210)	-
Share issue		-	1,312
Net cash from financing activities		(800,983)	6,166,522
(Decrease)/increase in cash and cash equivalents		(192,073)	216,912
Cash and cash equivalents at beginning of year	2	216,912	-
Cash and cash equivalents at end of year	2	24,839	216,912

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 29TH FEBRUARY 2020

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

	Year ended 29/2/20 \$	Period 14/9/18 to 28/2/19 \$
Profit before income tax	965,000	193,064
Interest income	(2)	-
Finance costs	2,023,703	85,089
	<u>2,988,701</u>	<u>278,153</u>
Increase in trade and other receivables	(14,652,590)	(7,355,754)
Increase in trade and other payables	14,508,264	1,179,134
	<u>2,844,375</u>	<u>(5,898,467)</u>

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:

Year ended 29th February 2020

	29/2/20 \$	1/3/19 \$
Cash and cash equivalents	<u>24,839</u>	<u>216,912</u>

Period ended 28th February 2019

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

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29TH FEBRUARY 2020

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.

Going Concern

The company had a net profit of \$784,093 for the year (2019: \$156,382) and had net assets of \$941,787 (2019: \$157,694) as at 29th February 2020.

Subsequent to balance sheet date, the World Health Organisation has declared Corona virus (Covid-19) as a pandemic. The outbreak of Coronavirus (Covid-19) has become widely known, and has led to significant disruptions to business, economic and other activities throughout the world. The degree of the impact to the Company depends on the duration of the pandemic, the implementation of preventive measures and fiscal easing policies posted by the impacted countries. Despite some positive news on the vaccine front, the Covid-19 pandemic continues to adversely affect some businesses on several fronts and the economic forecasts remain pessimistic for 2021.

As of the date of approval of these financial statements, approximately 38% of the trade debtor balances as at 29th February 2020 have not been realised; the banks and other lenders have withdrawn all facilities due to the significant challenges created by the pandemic; and the trade credit insurers are not underwriting insurance policies for commodity trades.

On 14th January 2021, the Singaporean Court has issued a six-month moratorium in favour of Antanium Resources Pte Limited, a parent company, to aid the latter's efforts to negotiate a compromise with its creditors and lenders.

These factors and the challenging conditions caused by the pandemic give rise to material uncertainties on the appropriateness of the use of the going concern assumption in the preparation of the financial statements of the Company.

Notwithstanding the above, the Board of directors is of the view that it is appropriate to prepare these financial statements on a going concern basis after considering the following:

- the company has net assets of \$0.94m as at 29th February 2020 and net liabilities of \$1.36m as at 31st December 2020 based on the unaudited management accounts.
- the Board of directors is of the opinion that the unpaid trade debtor balances will be realised in due course which will in turn enable the company to settle its trade and other liabilities.
- the Board of Directors also noted that the Company is reliant on the financial support of Rhodium Europe Limited, the immediate parent company and from Antanium Resources Pte Limited, a parent company, which could not be confirmed due to the latter being issued a six-month moratorium by the Singaporean Court.

The Board of directors is of the opinion that taking into considerations the above, the use of the going concern assumption in preparing the accompanying financial statements is appropriate.

If the financial statements were presented on a breakup basis, the carrying value of its assets (including the investments in subsidiaries) and liabilities may be materially different. If the Company was unable to continue in operational existence for the foreseeable future, the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets.

No such adjustments have been made to these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 29TH FEBRUARY 2020

2. **ACCOUNTING POLICIES - continued**

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the combined financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about estimation uncertainties that may have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Measurement of Expected Credit Loss ("ECL") allowance for trade receivables based on key assumptions such as Probability of Default ("PD") and Loss Given Default ("LGD") and forward looking macroeconomic factors. Should these estimates vary, the profit or loss and financial position of the following year(s) would be impacted significantly.

Revenue recognition

Revenue in the ordinary course of business is recognised when the Company satisfies a performance obligation (PO) by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is the amount of consideration in the contract to which the Company expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Company does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue is recognised at a point in time of satisfaction of the PO.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 29TH FEBRUARY 2020

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 of the Company. 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 YEAR ENDED 29TH FEBRUARY 2020

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 Company 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 Company 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 consolidated 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.

Finance costs

Finance costs comprise bank charges, interest expense on bank borrowings and discount fees. Interest expense is recognised as expense in the period in which it is incurred, using the effective interest method. Discount fees payable on sale of trade receivables without recourse are recognised on sale of the trade receivables.

Trade finance

The company has trade receivable financing facilities that are either with or without full recourse.

Advances received by the company under the facility with full recourse are shown as loans under current liabilities.

Where the Company has sold trade receivables to banks and other financial institutions without recourse, the trade receivables are derecognised from the Statement of Financial Position because the company has transferred the risks and rewards associated with the trade receivables.

Comparative figures

Comparative figures cover the period from the date of incorporation of the Company (14/09/2018) to 28th February 2019. Consequently, comparative amounts for the statement of comprehensive income, statement of changes in equity, statement of cash flows and related notes are not entirely comparable.

3. **REVENUE**

Segmental reporting

The revenue and profits are attributable to one principal activity of the Group (trading in commodities).

Geographical analysis

All revenue and profits arise from trades outside UK and EU.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 29TH FEBRUARY 2020**4. EMPLOYEES AND DIRECTORS**

There were no staff costs for the year ended 29th February 2020 nor for the period ended 28th February 2019.

	Year ended 29/2/20	Period 14/9/18 to 28/2/19
	\$	\$
Directors' remuneration	-	-

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

5. NET FINANCE COSTS

	Year ended 29/2/20	Period 14/9/18 to 28/2/19
	\$	\$
Finance costs:		
Bank interest	358,555	33,946
Discount fees	1,650,602	-
Bank charges	14,546	51,143
	2,023,703	85,089

6. PROFIT BEFORE INCOME TAX

The profit before income tax is stated after charging:

	Year ended 29/2/20	Period 14/9/18 to 28/2/19
	\$	\$
Cost of inventories recognised as expense	93,265,060	6,984,562
Auditors remuneration	23,071	-
Foreign exchange differences	531,289	18,905

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 29TH FEBRUARY 2020**7. INCOME TAX****Analysis of tax expense**

	Year ended 29/2/20 \$	Period 14/9/18 to 28/2/19 \$
Current tax: Taxation	180,907	36,682
Total tax expense in statement of profit or loss and other comprehensive income	180,907	36,682

Factors affecting the tax expense

The tax assessed for the year is lower (2019 - higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	Year ended 29/2/20 \$	Period 14/9/18 to 28/2/19 \$
Profit before income tax	965,000	193,064
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	183,350	36,682
Effects of: Adjustments in respect of previous year	(2,443)	-
Tax expense	180,907	36,682

8. TRADE AND OTHER RECEIVABLES

	2020 \$	2019 \$
Current:		
Trade debtors	13,131,737	7,331,476
Other debtors	8,790,264	-
VAT	40,520	-
Prepayments and accrued income	45,823	24,278
	22,008,344	7,355,754

9. CASH AND CASH EQUIVALENTS

	2020 \$	2019 \$
Bank deposit account	24,839	216,912

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 29TH FEBRUARY 2020**10. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	2020	2019
Number:	Class:		\$	\$
1,000	Ordinary	£1	<u>1,312</u>	<u>1,312</u>

11. RESERVES

	Retained earnings \$
At 1st March 2019	156,382
Profit for the year	<u>784,093</u>
At 29th February 2020	<u>940,475</u>

12. TRADE AND OTHER PAYABLES

	2020 \$	2019 \$
Current:		
Trade creditors	6,077,306	-
Amounts owed to group undertakings	9,587,021	1,179,134
Accrued expenses	<u>126,239</u>	<u>33,946</u>
	<u>15,790,566</u>	<u>1,213,080</u>

13. FINANCIAL LIABILITIES - BORROWINGS

	2020 \$	2019 \$
Current:		
Bank loans - less than 1 year	-	2,765,210
Other loans - less than 1 year	<u>5,364,227</u>	<u>3,400,000</u>
	<u>5,364,227</u>	<u>6,165,210</u>

The bank and other loans are secured on the trade debtor balances and by a guarantee provided by Antanium Resources Pte Limited, a parent undertaking.

14. 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 \$4,959,464 (2019: \$2,550,000).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 29TH FEBRUARY 2020**15. 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.

Antanium Resources Pte Limited

(previously known as Rhodium Resources Pte Limited)

Parent undertaking

During the year, Antanium Resources Pte Limited recharged the following expenses to the Company:

	2020	2019
	\$	\$
Credit insurance	419,322	4,856
Management fees	291,844	-
	<u>711,166</u>	<u>4,856</u>

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.

	2020	2019
		\$
Amount due to related party at the balance sheet date	<u>9,587,021</u>	<u>1,179,134</u>

Rhodium Europe Limited

Immediate parent undertaking

During the year, Rhodium Europe Limited recharged common administrative expenses amounting to £527,912 (2019: £Nil) to the Company.

Puissant International Pte Limited

Fellow group undertaking

During the year, the company sold trade receivables amounting to \$6,589,540 to Puissant International Pte Ltd and discount fees of \$263,581 was payable on the sale.

	2020	2019
		\$
Amount due from related party at the balance sheet date	<u>6,325,959</u>	<u>-</u>

Triteras Fintech Pte Ltd

Fellow group undertaking

During the year, the Company acquired IT services from Triteras Fintech Pte Ltd amounting to \$107,360 (2019: \$Nil).

	2020	2019
	\$	\$
Amount due from/(to) related party at the balance sheet date	<u>(13,993)</u>	<u>Nil</u>

16. EVENTS AFTER THE REPORTING PERIOD

COVID-19

Subsequent to the year-end, World Health Organisation has declared COVID-19 as a pandemic. Escalation of COVID-19 has the potential to impact the global economic growth and business developments. In recent weeks, many countries have enacted protection measures against COVID-19, with a significant impact on the daily life, production and supply chain of goods in these countries and beyond. The evolution of COVID-19 as well as its impact on the global economy, and more specifically, on the Company's business activities, is subject to significant levels of uncertainty, with the full range of possible effects unknown on the date of the approval of the Company's financial statements for the year ended 29 February 2020.

17. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr Srinivas Koneru.

The company's immediate parent undertaking is Rhodium Europe Limited, registered in England and Wales. Its registered office address is Part 1st Floor, South Minster House, 42 Mincing Lane London EC3R 7AE.

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