

Company Registration No. 09643799 (England and Wales)

STERLING RESOURCES INTERNATIONAL LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019



STERLING RESOURCES INTERNATIONAL LTD

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STERLING RESOURCES INTERNATIONAL LTD

COMPANY INFORMATION

Director	Mr S K Pasi
Company number	09643799
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
Bankers	Wyeland Bank Plc 7 Hertford Street London W1J 7RH

STERLING RESOURCES INTERNATIONAL LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2019

The director presents the strategic report for the year ended 30 June 2019.

Fair review of the business

The board of directors are satisfied with the performance of the company during the financial year ended 30 June 2019.

The company's principal activity during the current year continued to be that of trader of metal and metal ores.

The company's turnover has decreased by 49% compared to previous year with the gross profit margin decreased slightly from 0.21% to 0.19%.

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 documentary settlement agreement, which are sufficient to meet anticipated funding requirements. The directors review the company's on-going liquidity risks regularly and constantly keep a tab on debtors receivable and creditors 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 endeavours 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 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

STERLING RESOURCES INTERNATIONAL LTD

STRATEGIC REPORT (CONTINUED)

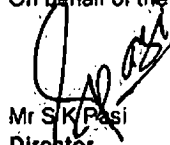
FOR THE YEAR ENDED 30 JUNE 2019

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:	\$104,033,435
Trade debtors days:	112 days
Trade creditors days:	40 days
Current ratio:	2.52

On behalf of the board



Mr S K Pasi
Director

19 November 2020

STERLING RESOURCES INTERNATIONAL LTD

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2019

The director presents his annual report and financial statements for the year ended 30 June 2019.

Principal activities

The principal activity of the company continued to be that of a wholesale trader in various commodities.

Director

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

Mr S K Pasi

Results and dividends

The results for the year are set out on page 9.

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

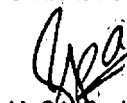
Auditor

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 to the members.

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.

On behalf of the board



Mr S K Pasi
Director

19 November 2020

STERLING RESOURCES INTERNATIONAL LTD

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 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.

STERLING RESOURCES INTERNATIONAL LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF STERLING RESOURCES INTERNATIONAL LTD

Opinion

We have audited the financial statements of Sterling Resources International Ltd (the 'company') for the year ended 30 June 2019 which comprise the income statement, the statement of comprehensive income, the statement of financial position, 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 30 June 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.

Emphasis of matter

We draw attention to note 14 on the financial statements which describes the company's assessment of the COVID-19 impact on its ability to continue as a going concern. Our opinion is not modified in this respect.

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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

STERLING RESOURCES INTERNATIONAL LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF STERLING RESOURCES INTERNATIONAL LTD

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.

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.

STERLING RESOURCES INTERNATIONAL LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF STERLING RESOURCES INTERNATIONAL LTD

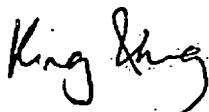
Auditor's responsibilities for the audit of the financial statements

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.

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 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

19/11/2020

STERLING RESOURCES INTERNATIONAL LTD

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 \$	2018 \$
Revenue	3	104,033,435	205,830,155
Cost of sales		(103,836,751)	(205,392,631)
Gross profit		196,684	437,524
Administrative expenses		(51,899)	(51,750)
Operating profit	4	144,785	385,774
Investment income	6	193,676	-
Finance costs	7	(193,676)	-
Profit before taxation		144,785	385,774
Tax on profit	8	(27,509)	(71,780)
Profit for the financial year		117,276	313,994

The income statement has been prepared on the basis that all operations are continuing operations.

STERLING RESOURCES INTERNATIONAL LTD

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
Profit for the year	117,276	313,994
Other comprehensive income	-	-
Total comprehensive income for the year	<u>117,276</u>	<u>313,994</u>

STERLING RESOURCES INTERNATIONAL LTD

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Notes	2019 \$	\$	2018 \$	\$
Current assets					
Trade and other receivables	10	33,929,533		32,659,165	
Cash and cash equivalents		52,332		24,927	
		<u>33,981,865</u>		<u>32,684,092</u>	
Current liabilities	11	(13,509,063)		(12,328,566)	
Net current assets			<u>20,472,802</u>		<u>20,355,526</u>
Equity					
Called up share capital	13	20,000,001		20,000,001	
Retained earnings		472,801		355,525	
Total equity			<u>20,472,802</u>		<u>20,355,526</u>

The financial statements were approved and signed by the director and authorised for issue on 19 November 2020

Mr S K. Passi
Director

Company Registration No. 09643799

STERLING RESOURCES INTERNATIONAL LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Share capital \$	Retained earnings \$	Total \$
Balance at 1 July 2017		1	41,531	41,532
Year ended 30 June 2018:				
Profit and total comprehensive income for the year		-	313,994	313,994
Issue of share capital	13	20,000,000	-	20,000,000
Balance at 30 June 2018		20,000,001	355,525	20,355,526
Year ended 30 June 2019:				
Profit and total comprehensive income for the year		-	117,276	117,276
Balance at 30 June 2019		20,000,001	472,801	20,472,802

STERLING RESOURCES INTERNATIONAL LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 \$	\$	2018 \$	\$
Cash flows from operating activities					
Cash absorbed by operations	17	(1,943,246)		(19,975,073)	
Interest paid		(193,676)		-	
Income taxes paid		(10,959)		-	
Net cash outflow from operating activities		<u>(2,147,881)</u>		<u>(19,975,073)</u>	
Investing activities					
Interest received		193,676		-	
Net cash generated from/(used in) investing activities		<u>193,676</u>		<u>-</u>	
Financing activities					
Proceeds from issue of shares		-	20,000,000		
Repayment of bank loans		1,981,610		-	
Net cash generated from financing activities		<u>1,981,610</u>		<u>20,000,000</u>	
Net increase in cash and cash equivalents		<u>27,405</u>		<u>24,927</u>	
Cash and cash equivalents at beginning of year		24,927		-	
Cash and cash equivalents at end of year		<u><u>52,332</u></u>		<u><u>24,927</u></u>	

STERLING RESOURCES INTERNATIONAL LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

Company information

Sterling Resources International 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 sterling, 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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. 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. In view of the impact of COVID-19 pandemic in the world economy, should the company require a financial support, the parent company, Sterling Global Resources Pte Ltd, has provided an assurance of its support. On the basis of the continued support of the parent company, the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Revenue

Revenue 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.

STERLING RESOURCES INTERNATIONAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 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 statement of financial position 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 trade and other receivables 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.

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.

STERLING RESOURCES INTERNATIONAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables, 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 payables 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 payables 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.

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 income statement 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.

STERLING RESOURCES INTERNATIONAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

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 income statement, 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.

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 Revenue

	2019 \$	2018 \$
Revenue analysed by class of business		
Sales	104,033,435	205,830,155
	<u> </u>	<u> </u>
	2019 \$	2018 \$
Other significant revenue		
Interest income	193,676	-
	<u> </u>	<u> </u>
	2019 \$	2018 \$
Revenue analysed by geographical market		
The rest of the world	104,033,435	205,830,155
	<u> </u>	<u> </u>

STERLING RESOURCES INTERNATIONAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

4 Operating profit

	2019	2018
	\$	\$
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	10,630	10,630

5 Employees

During the current and the previous year, there were no employees other than the director. The director did not receive any remunerations from the company (2018: £Nil).

6 Investment income

	2019	2018
	\$	\$
Interest income		
Other interest income	193,676	-

7 Finance costs

	2019	2018
	\$	\$
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	193,676	-

8 Taxation

	2019	2018
	\$	\$
Current tax		
UK corporation tax on profits for the current period	27,509	71,780

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

	2019	2018
	\$	\$
Profit before taxation	144,785	385,774
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	27,509	73,297
Other	-	(1,517)
Taxation charge for the year	27,509	71,780

STERLING RESOURCES INTERNATIONAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

9 Financial instruments

	2019	2018
	\$	\$
Carrying amount of financial assets		
Debt instruments measured at amortised cost	33,929,533	32,659,165
Carrying amount of financial liabilities		
Measured at amortised cost	13,410,256	12,246,309

10 Trade and other receivables

	2019	2018
	\$	\$
Amounts falling due within one year:		
Trade receivables	31,947,923	32,659,165
Other receivables	1,981,610	-
	33,929,533	32,659,165

11 Current liabilities

	Notes	2019	2018
		\$	\$
Bank loans	12	1,981,610	-
Trade payables		11,391,030	12,225,234
Corporation tax		98,807	82,257
Other payables		17,059	4,970
Accruals and deferred income		20,557	16,105
		13,509,063	12,328,566

12 Borrowings

	2019	2018
	\$	\$
Bank loans	1,981,610	-
Payable within one year	1,981,610	-

Bank loan is secured by way of fixed and floating charges over the assets of the company.

STERLING RESOURCES INTERNATIONAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

13 Share capital

	2019	2018
	\$	\$
Ordinary share capital		
Issued and fully paid		
28,494,092 ordinary shares of 50p each	20,000,001	20,000,001

14 Events after the reporting date

Impact of COVID-19

On 11 March 2020, the World Health Organization declared the Corona-Virus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 200 countries now affected. Many governments are taking increasingly stringent steps to help contain or delay the spread of the virus. Currently, there is significant increase in economic uncertainty which is, for example, evidenced by more volatile asset prices and currency exchange rates.

For the company's 30 June 2019 financial statements, the COVID-19 outbreak and the related impacts are considered non-adjusting events. Consequently, there is no impact on the recognition and measurement of assets and liabilities. Due to the uncertainty of the outcome of the current events, the company cannot reasonably estimate the impact these events will have on the company's financial position, results of operations or cash flows in the future.

Impact of Brexit

The UK left the European Union ('EU') on 31 January 2020. The transitional period is due to run to 31 December 2020, during which the UK will no longer be a member of the EU but will still be subject to EU rules and remain a member of the Customs Union. During the transition period, the UK and EU will negotiate the rules to be applied to our future trading and other relationships. The UK can request, and the EU will grant, an extension to the transition period of up to another two years (so long as this is done by 30 June 2020) if it appears that negotiations are taking longer than expected. Ultimately, a no-trade deal Brexit remains a possible outcome.

The directors are considering how this new political landscape will impact their business. Irrespective of the outcome of negotiations during the transition period, whether that concludes with or without a trade deal, management do not expect that this will impact their present operations.

15 Related party transactions

During the year, the company did not enter into any transactions with related parties such as those required to be disclosed under FRS 102.

16 Ultimate controlling party

Mr S K Pasi, a director during the year, is the ultimate controlling party.

Sterling Global Resources Pte Ltd, a company incorporated in Singapore, is the ultimate parent company.

STERLING RESOURCES INTERNATIONAL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

17 Cash absorbed by operations

	2019	2018
	\$	\$
Profit for the year after tax	117,276	313,994
Adjustments for:		
Taxation charged	27,509	71,780
Finance costs	193,676	-
Investment income	(193,676)	-
Movements in working capital:		
Increase in trade and other receivables	(1,270,368)	(31,058,895)
(Decrease)/increase in trade and other payables	(817,663)	10,698,048
Cash absorbed by operations	<u>(1,943,246)</u>	<u>(19,975,073)</u>