

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2019
for
Vatukoula Gold Mines plc

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for the Year Ended 31 December 2019

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DIRECTORS:

Yingbin He
Zhenchuan Li
Debao Mao
Yuhua Zhu

SECRETARY:

Laytons Secretaries Limited

REGISTERED OFFICE:

Level 5
2 More London Riverside
London
SE1 2AP

REGISTERED NUMBER:

05059077 (England and Wales)

AUDITORS:

Shinewing Wilson Accountancy Limited
Chartered Certified Accountants
and Statutory Auditors
9 St Clare Street
London
EC3N 1LQ

The directors present their strategic report for the year ended 31 December 2019.

The directors present their strategic and financial report on the company for the year ended 31 December 2019.

The Company continues under section 401 of the Companies Act to take exception in preparing consolidated accounts for the Group, as Zhongrun International Mining Co. Ltd continues to hold approximately 79.5% of the enlarged share capital of the Company, and Zhongrun Resources Investment Corporation ("Zhongrun") continues as the ultimate controlling entity. Zhongrun's accounts continue to be prepared under Chinese GAAP, and have been filed along with the Company accounts at Companies House in accordance with the Companies Act 2006.

REVIEW OF BUSINESS

Subsequent to the delisting the Company in 2014 from AIM and the restructuring, in particular the Company divesting management control of its operations to the subsidiaries that own the assets, the role of the Company has continued as an investment holding Company for its subsidiary undertakings.

RESULTS AND PERFORMANCE

The net loss before taxation is £2.37 million (2018: loss of £10.22 million) for the year, mainly due to irrecoverable loans and investment written off.

The Company is currently in the process of restructuring in order to maximise the existing and future investments benefits, and it continues to be financed by immediate parent Zhongrun International Mining Co. Ltd. As at 31 December 2019, the balance due to its immediate parent was in the sum of £46.99 million (2018: £42.89 million).

Due to the current status of the Company, the Board has not identified any performance indicators as key.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the company's strategy are subject to a number of risks. The main risks and uncertainties are as follows:

1. The Company is an investment holding company for its subsidiary undertakings and as such if it is to see a return from this investment it will be required to make further investments into the subsidiaries. Access to capital continues to remain limited and become more difficult in the UK due to Covid-19 pandemic, however, the directors have finance obligations from the parent company to reach its long term investment targets and provide value to shareholders.
2. Brexit - the business has acknowledged the potential uncertainties in a 'no-deal' Brexit scenario in the UK, and maintains an on-going assessment of business risk.
3. Interest charges and unpaid debts are significant costs to the business. Mitigation of these exposures is actioned by the management whenever it is practicable.

SECTION 172(1) STATEMENT

The revised UK Corporate Governance Code ('2018 Code') was published in July 2018 and applies to accounting periods beginning on or after 1 January 2019. The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') require directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the company. The board welcomes the direction of the UK Financial Reporting Council (the 'FRC'). This S172 statement, which is reported for the first time, explains how the directors:

- have engaged with employees, suppliers, customers and others; and
- have had regard to employees' interests, the need to foster the company's business relationships with suppliers, customers and other, and the effect of that regards, including on the principal decisions taken by the company during the financial year.

The S172 statement focuses on matters of strategic importance, and the level of information disclosed is consistent with the size and the complexity of the business.

When making decisions, each Director ensures that he/she acts in the way he/she considers, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

a) The likely consequences of any decision in the long term

The company's operations and investment plans for the year could include, but not be limited to, new investments, acquisition opportunities and strategic partnerships. This is prepared by the company's senior leadership team and approved by the board of the ultimate parent company and is aligned with the long-term plans for the Company within the context of the overall group strategy.

b) The interests of the company's employees

The directors recognise that the employees are fundamental and core to our business and delivery of our strategic ambitions, although the Company currently has no employees due to the process of restructuring. The company may likely recruit employees after the completion of its restructuring. The business is committed to promoting fairness and equality in the workplace which it demonstrates through a number of policies, including: Equal Opportunities Policy; Flexible Working Policy; Parental Leave Policy; and Maternity, Paternity and Adoption Policies.

c) The need to foster the company's business relationships with suppliers, customers and others.

Delivering our strategy requires strong mutually beneficial relationships with suppliers, customers, local and national government, regulators and other associated stakeholders. In its relationship with our major suppliers - professional service providers, the Company strives to maintain a reputation for fairness and high standard communications.

d) The impact of the company's operations on the community and the environment

The company is a holding company and has chosen to invest in mining business. Threat of climate change and the depletion of resources has grown, so sustainability issues have become a major issue in the communities and environment. It is the view of directors of the Company to be responsible investor and operator.

e) The desirability of the company maintaining a reputation for high standards of business conduct

The greatest value of a company is its image and brand. By maintaining a reputation for high standards of business conduct, the company can be more effective in preventing fraud, corruption, losing businesses and customers, and costly legal expenses. The directors monitor compliance with relevant governance standards and assure that the Company acts in a way that promotes high standards of business conduct.

f) The need to act fairly as between members of the company

The directors, in carrying out their role, must use their own skill and judgment and have regard to the likely long-term consequences of their decisions, in order to prioritise the long-term success of the company. The interests of controlling shareholder and minority shareholders may not align, particularly in case of connected party transactions. However, it is the duty of directors to ensure fair dealings that benefit all shareholders equally, to act in good faith and to exercise their powers diligently.

BOARD OF DIRECTORS

Yingbin Ian He, Chairman, age 58

Mr. Yingbin Ian He has over 30 years of experience in mining industry. Mr. He was appointed as a Non-Executive Director of the Company in February 2013 and Non-Executive Chairman in April 2013. He has been a Director of China Gold International Resources since 2000, and SouthGobi Resources Limited since 2017, both of which are dual listed on the Toronto Stock Exchange and Hong Kong Stock Exchange. Mr He obtained his PhD degree in mineral process engineering from the University of British Columbia in Vancouver, Canada.

Zhenchuan LI, Non-Executive Director, age 62

Mr Zhenchuan Li was the General Manager and a Director of Zhongrun Resources Investment Corp. between 2013 and July 2019. Prior to that, Mr. Li joined Shandong Gold Industrial Corporation in 1998, serving at the company's subsidiary Xinyi Jewelry Co. as Deputy Chairman. Mr. Li served with Shandong Gold consecutively as General Manager of mining development division in 2005, and General Manager in 2009 and Chairman in 2012 of resources development division.

Debao Mao, Non-Executive Director, age 56

Mr. Mao joined China Rail Resources Group Ltd. in 2007 as Chief Geologist. In December 2010, Mr. Mao was promoted to the position of Deputy General Manager. Prior to that, Mr. Mao worked at Tianjin Geological Research Institute between 1990 and 2007, consecutively as deputy research scientist in 1995 and research scientist in 2000. Mr. Mao obtained his PhD degree in geology from China University of Geoscience (Beijing) in 2002.

Yuhua Zhu, Non-Executive Director, age 45

Mrs. Zhu joined Jiangsu Haijian International Economic and Technological Cooperation Group in 1998 as an engineer, responsible for project cost control. She was promoted to the position of Executive Manager in 2017 and was appointed as a Non-Executive Director of the Company in February 2019.

ON BEHALF OF THE BOARD:



.....
Yingbin He - Director

Date: Dec. 07, 2020

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of a holding Company for its subsidiary undertakings, which are set out in note 8 of the financial statements.

DIVIDENDS

The directors do not recommend the payment of a dividend (2018: £nil).

FUTURE DEVELOPMENTS

A review of the current and future development of the Company's business is given in the strategic report.

DIRECTORS

The directors during the year under review were:

| | |
|---------------|--|
| Quinghua Cao | - resigned 11.2.19 |
| Yingbin He | |
| Lingquan Kong | - appointed 11.2.19 - resigned 1.7.19 |
| Zhenchuan Li | |
| Debao Mao | - appointed 11.2.19 |
| Lei Sun | - resigned 11.2.19 |
| Yuhua Zhu | - appointed 11.2.19 |

The directors holding office at 31 December 2019 did not hold any beneficial interest in the issued share capital of the company at 1 January 2019 (or date of appointment if later) or 31 December 2019.

POLITICAL DONATIONS AND EXPENDITURE

The Company made no charitable or political donations during the year (2018: £nil).

DIRECTORS' INSURANCE

The Company has previously taken out an insurance policy to indemnify the directors and officers of the Company against liability when acting for the Company. However, this policy has been ceased during the year.

GOING CONCERN

The Directors note the losses that the Company has made for the year ended 31 December 2019. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future at least for a period of twelve months from the approval of these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The Directors also note the net liability position in the Statement of Financial Position, and the liquidity of the Company has been addressed by a financial support from Zhongrun, without this, the Company would be considered insolvent and not able to continue as a going concern.

Zhongrun has confirmed in writing to the Company that it remains willing and able to continue to support the Company as becomes required.

FINANCIAL RISK MANAGEMENT

The Company's operations expose it to financial risks that include liquidity risk, interest rate and foreign exchange risk. The Company does not use derivative financial instruments to manage any of these risks nor is hedge accounting applied.

Given the size and current business position of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. Further details of the Company's exposure to risks arising from financial instruments held are provided in note 18 of the financial statements.

Liquidity risk

The Company actively manages its working finance to ensure the Company has sufficient funds for current operations. As referred to in note 2 of the financial statements, it is for this reason that the directors believe it is appropriate to prepare the financial statements on a going concern basis.

Interest rate cash flow risk

Interest bearing assets are only cash balances that earn interest at a floating rate. The Company does not have any variable rate debt and therefore it is not exposed to interest rate cash flow risk on its debt.

Foreign exchange risk

The Company operates in the United Kingdom, however it borrows a large loan in US dollar. The board has assessed its exposure to foreign exchange risk, the details of which are provided in note 18. This situation is monitored on a regular basis, and as such the directors do not currently consider it necessary to enter into forward exchange contracts.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument, fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The Company has credit risk management policies in place and exposures to credit risk are monitored on an ongoing basis. Management generally adopts conservative strategies and a tight control on credit policy.

POLICY ON PAYMENT OF CREDITORS

The Company seeks to maintain good terms with all of its trading partners. It does not follow any specific code or standard on payment practice. However, it is the Company's policy to agree appropriate terms and conditions for its transactions with suppliers, to ensure that the suppliers are made aware of those terms and, provided the supplier has complied with its obligations, to abide by the terms of payment agreed. Trade payables at the year end all relate to sundry administrative overheads and disclosure of the number of days' purchases represented by year end payables is therefore not meaningful.

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS

Although compliance with the FRC formal Corporate Governance requirements are not mandatory to the Company, the directors recognise the good principles that are set out within the FRC's regulatory guidance and hence have chosen to follow those principles which are relevant to the Company, the directors believe that the Company applies the Main Principles insofar as is practicable and appropriate for a public company of its business.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are 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 each director 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.


Vatukoula Gold Mines plc

Report of the Directors
for the Year Ended 31 December 2019

AUDITORS

The auditors, Shiewing Wilson Accountancy Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
Yingbin He - Director

Date: Dec. 07, 2020

Vatukoula Gold Mines plc

Statement of Directors' Responsibilities
for the Year Ended 31 December 2019

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Qualified Opinion

We have audited the financial statements of Vatukoula Gold Mines plc (the 'company') for the year ended 31 December 2019 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.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the state of the Company's affairs as at 31 December 2019 and of the Company's losses for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Qualified 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 Auditors' 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. We were not the auditors of the financial statements for the year ended 31 December 2018. With respect to the opening balances of the financial statements for the year ended 31 December 2019, the audit evidence available to us was not sufficient to enable us to confirm the material completeness and accuracy of those balances, and nor were the company's accounting and other records sufficient to enable us carry out alternative procedures within a practicable period. Therefore, we were unable to obtain sufficient appropriate audit evidence regarding the opening balances.

Material uncertainty related to going concern

We draw attention to note 2 of the financial statements, which indicates that the Company incurred a net loss of £2.37 million during the year ended 31 December 2019 and, as of that date, the Company's current liabilities exceeded its current and total assets by £55K and £46.99 million, respectively. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern. For example, the terms on which the United Kingdom withdraw from European Union and current Covid 19 situation, are not clear. It is difficult to evaluate all of the potential impacts on the Company's going concern.

Other matters

The financial statements for the Company for the year ended 31 December 2018 were audited by another auditor, who expressed an unqualified opinion on those statements on 20 August 2020.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report, the Report of the Directors and the Statement of Directors' Responsibilities, but does not include the financial statements and our Report of the Auditors 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.

Report of the Independent Auditors to the Members of
Vatukoula Gold Mines plc

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 or the Report of the Directors.

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page eight, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.


Auditors' 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 a Report of the Auditors 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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.


Julie Zhuge Wilson (Senior Statutory Auditor)
for and on behalf of Shinewing Wilson Accountancy Limited
Chartered Certified Accountants
and Statutory Auditors
9 St Clare Street
London
EC3N 1LQ

Date: 7/12/2020

Vatukoula Gold Mines plc

Statement of Profit or Loss and Other Comprehensive Income
for the Year Ended 31 December 2019

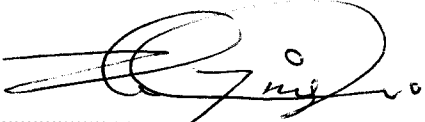
| | | 31.12.19 | 31.12.18 |
|--|-------|----------------|----------------------|
| | Notes | £'000 | as restated £'000 |
| CONTINUING OPERATIONS | | | |
| Revenue | | - | - |
| Administrative expenses | | <u>1,092</u> | <u>(11,842)</u> |
| OPERATING PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS | | 1,092 | (11,842) |
| Exceptional items | 5 | <u>(2,470)</u> | <u>-</u> |
| OPERATING LOSS | | (1,378) | (11,842) |
| Finance costs | 6 | (4,347) | (241) |
| Finance income | 6 | <u>3,355</u> | <u>1,866</u> |
| LOSS BEFORE INCOME TAX | 7 | (2,370) | (10,217) |
| Income tax | 8 | <u>-</u> | <u>-</u> |
| LOSS FOR THE YEAR | | (2,370) | (10,217) |
| OTHER COMPREHENSIVE (LOSS)/INCOME | | | |
| Item that will not be reclassified to profit or loss: | | | |
| Foreign exchange gains | | (1,758) | 8,138 |
| Income tax relating to item that will not be reclassified to profit or loss | | <u>-</u> | <u>-</u> |
| OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF INCOME TAX | | <u>(1,758)</u> | <u>8,138</u> |
| TOTAL COMPREHENSIVE LOSS | | <u>(4,128)</u> | |
| Prior year adjustment | | | <u>(170)</u> |
| TOTAL COMPREHENSIVE LOSS SINCE LAST ANNUAL REPORT | | | <u>(2,249)</u> |

The notes form part of these financial statements

Statement of Financial Position
31 December 2019

| | | 31.12.19 | 31.12.18 |
|-------------------------------------|-------|-----------------|----------------------|
| | Notes | £'000 | as restated £'000 |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Trade and other receivables | 11 | - | 8 |
| TOTAL ASSETS | | <u>-</u> | <u>8</u> |
| EQUITY | | | |
| SHAREHOLDERS' EQUITY | | | |
| Called up share capital | 12 | 17,263 | 17,263 |
| Share premium | 13 | 94,830 | 94,830 |
| Other reserves | 13 | 3,093 | 4,851 |
| Retained earnings | 13 | (162,236) | (159,866) |
| TOTAL EQUITY | | <u>(47,050)</u> | <u>(42,922)</u> |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Trade and other payables | 14 | 46,995 | 42,894 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 14 | 55 | 36 |
| TOTAL LIABILITIES | | <u>47,050</u> | <u>42,930</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>-</u> | <u>8</u> |

The financial statements were approved by the Board of Directors and authorised for issue on Dec 07, 2020 and were signed on its behalf by:


.....
Yingbin He - Director

Vatukoula Gold Mines plc

Statement of Changes in Equity
for the Year Ended 31 December 2019

| | Called up share capital £'000 | Retained earnings £'000 | Share premium £'000 | Other reserves £'000 | Total equity £'000 |
|------------------------------------|--|-------------------------------|---------------------------|----------------------------|--------------------------|
| Balance at 1 January 2018 | 17,263 | (149,479) | 94,830 | (3,287) | (40,673) |
| Prior year adjustment | - | (170) | - | - | (170) |
| As restated | <u>17,263</u> | <u>(149,649)</u> | <u>94,830</u> | <u>(3,287)</u> | <u>(40,843)</u> |
| Changes in equity | | | | | |
| Total comprehensive loss | - | (10,217) | - | 8,138 | (2,079) |
| Balance at 31 December 2018 | <u>17,263</u> | <u>(159,866)</u> | <u>94,830</u> | <u>4,851</u> | <u>(42,922)</u> |
| Changes in equity | | | | | |
| Total comprehensive loss | - | (2,370) | - | (1,758) | (4,128) |
| Balance at 31 December 2019 | <u><u>17,263</u></u> | <u><u>(162,236)</u></u> | <u><u>94,830</u></u> | <u><u>3,093</u></u> | <u><u>(47,050)</u></u> |

The notes form part of these financial statements

Vatukoula Gold Mines plc

Statement of Cash Flows
for the Year Ended 31 December 2019

| | | 31.12.19 | 31.12.18 |
|---|-------|-------------------|----------------------|
| | Notes | £'000 | as restated £'000 |
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | (1,351) | (11,833) |
| Interest paid | | <u>(4,347)</u> | <u>(241)</u> |
| Net cash from operating activities | | <u>(5,698)</u> | <u>(12,074)</u> |
| Cash flows from investing activities | | | |
| Interest received | | <u>3,355</u> | <u>1,866</u> |
| Net cash from investing activities | | <u>3,355</u> | <u>1,866</u> |
| Cash flows from financing activities | | | |
| New loans in year | | <u>4,101</u> | <u>2,070</u> |
| Net cash from financing activities | | <u>4,101</u> | <u>2,070</u> |
| | | <u> </u> | <u> </u> |
| Increase/(decrease) in cash and cash equivalents | | 1,758 | (8,138) |
| Cash and cash equivalents at beginning of year | | - | - |
| Effect of foreign exchange rate changes | | <u>(1,758)</u> | <u>8,138</u> |
| Cash and cash equivalents at end of year | | <u> </u> | <u> </u> |

The notes form part of these financial statements

Notes to the Statement of Cash Flows
for the Year Ended 31 December 2019

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

| | 31.12.19 | 31.12.18 as restated |
|---|-----------------------|-------------------------|
| | £'000 | £'000 |
| Loss before income tax | (2,370) | (10,217) |
| Finance costs | 4,347 | 241 |
| Finance income | <u>(3,355)</u> | <u>(1,866)</u> |
| | (1,378) | (11,842) |
| Decrease in trade and other receivables | 8 | 10 |
| Increase/(decrease) in trade and other payables | <u>19</u> | <u>(1)</u> |
| Cash generated from operations | <u><u>(1,351)</u></u> | <u><u>(11,833)</u></u> |

1. **STATUTORY INFORMATION**

Vatukoula Gold Mines plc is a private company, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

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 Company continues under section 401 of the Companies Act to take exception in preparing consolidated accounts for the Group, as Zhongrun International Mining Co. Ltd continues to hold approximately 79.5% of the enlarged share capital of the Company, and Zhongrun Resources Investment Corporation ("Zhongrun") continues as the ultimate controlling entity. Zhongrun's accounts continue to be prepared under Chinese GAAP, and have been filed along with the Company accounts at Companies House in accordance with the Companies Act 2006.

Statement of Compliance with IFRS

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS and interpretations) as adopted by the European Union.

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2019. Their adoption has no material effect on the financial statements:

- Annual Improvements to IFRS Standards 2015-2017 Cycle (issued on 12 December 2017)
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement (issued on 7 February 2018)
- Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures (issued on 12 October 2017)
- IFRIC 23 Uncertainty over Income Tax Treatments (issued on 7 June 2017)
- IFRS 16 Leases (issued on 13 January 2016)
- Amendments to IFRS 9: Prepayment Features with Negative Compensation (issued on 12 October 2017)

New and revised IFRSs in issue but not yet endorsed by the European Union

The following IFRSs have been issued but have not been adopted by EU and not yet applied in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- Amendments to IFRS 3 Business Combinations (issued on 22 October 2018): effective on 1 January 2020
- Amendments to IFRS 9, IAS 39 and IFRS17: Interest Rate Benchmark Reform (issued on 26 September 2019): effective on 1 January 2020
- Amendments to IAS 1 and IAS 8: Definition of Material (issued on 31 October 2018): effective on 1 January 2020
- Amendments to References to the Conceptual Framework in IFRS Standards (issued on 29 March 2018): effective on 1 January 2020
- Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions (issued on 28 May 2020): expected endorsement in Q3/Q4 2020
- Amendments to IFRS 4 Insurance Contracts - deferral of IFRS19 (issued on 25 June 2020): expected endorsement in Q4 2020
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform - Phase 2 (issued on 27 August 2020): expected endorsement in Q4 2020

2. ACCOUNTING POLICIES - continued

Reclassification of prior year presentation

Certain prior year amounts have been reclassified for consistency with the current year presentation.

Going concern

The Company incurred a loss before taxation of £2.37million during the year, and had a net liability of £46.99 million at the year ended 31 December 2019. The Company relies on its immediate parent's financial support. The directors considered available funding facilities, and concluded that the Company has sufficient resource for next 12 months from the date of signing these financial statements. The financial statements are therefore prepared on a going concern basis, without reflecting the material uncertainty existence that may cast significant doubt on the company's ability to continue as a going concern.

Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks.

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

Financial liabilities, including borrowing, are initially measured at fair value, net of transaction costs before subsequently being measured at amortised cost.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Finance costs

Financing costs comprise interest payable on borrowings which is calculated using the effective interest rate method.

Taxation

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable 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. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is provided on temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2. ACCOUNTING POLICIES - continued

Interest income

Interest revenue is recognised as interest accrues using the effective interest rate method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Investments in subsidiaries

The Company recognises its investments in subsidiaries at cost, less any provision for impairment. Differences arising from changes in fair values of intercompany loans receivable at below market rates of interest are treated as an increase in the investment in the subsidiary.

Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Company.

Contingent assets are not recognised but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When an inflow is virtually certain, an asset is recognised.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION
UNCERTAINTY

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

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

Impairments

The directors perform impairment reviews on the carrying value of investments, this involves judgement and involves the use of estimates and assumptions, particularly in relation to future forecasts and events.

4. EMPLOYEES AND DIRECTORS

| | 31.12.19 | 31.12.18 as restated |
|--------------------|-----------|-------------------------|
| | £'000 | £'000 |
| Wages and salaries | <u>30</u> | <u>12</u> |

The average number of employees during the year was as follows:

| | 31.12.19 | 31.12.18 as restated |
|-----------|----------|-------------------------|
| Directors | <u>4</u> | <u>5</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

4. EMPLOYEES AND DIRECTORS - continued

| | 31.12.19 | 31.12.18 as restated |
|-------------------------|---------------|-------------------------|
| | £ | £ |
| Directors' remuneration | <u>29,750</u> | <u>12,250</u> |

5. EXCEPTIONAL ITEMS

During the year, the Company has written off investment and unpaid loans in the sum of £2.47 million (2018: £nil).

6. NET FINANCE COSTS

| | 31.12.19 | 31.12.18 as restated |
|---------------------------|--------------|-------------------------|
| | £'000 | £'000 |
| Finance income: | | |
| Loan interest receivables | <u>3,355</u> | <u>1,866</u> |
| Finance costs: | | |
| Loan interest payables | <u>4,347</u> | <u>241</u> |
| Net finance costs | <u>992</u> | <u>(1,625)</u> |

7. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging/(crediting):

| | 31.12.19 | 31.12.18 as restated |
|------------------------------|----------------|-------------------------|
| | £'000 | £'000 |
| Auditors' remuneration | 7 | 6 |
| Foreign exchange differences | <u>(1,196)</u> | <u>1,021</u> |

8. INCOME TAX

Analysis of tax expense

No liability to UK corporation tax arose for the year ended 31 December 2019 nor for the year ended 31 December 2018.

8. **INCOME TAX - continued**

Factors affecting the tax expense

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

| | 31.12.19 | 31.12.18 as restated |
|---|----------------|-------------------------|
| | £'000 | £'000 |
| Loss before income tax | <u>(2,370)</u> | <u>(10,217)</u> |
| Loss multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%) | (450) | (1,941) |
| Effects of: | | |
| Deferred tax not recognised | <u>450</u> | <u>1,941</u> |
| Tax expense | <u>-</u> | <u>-</u> |

The Company has an unrecognised deferred tax asset as at 31 December 2019 of £3.47 million (2018: £3.02 million). This has not been recognised in the financial statements due to uncertainty over the future income streams required from the potential asset to be recovered.

The rate of corporation tax throughout the year was 19%. A reduction to 18%, due to come into effect from 1 April 2020, was substantively enacted on 6 September 2016. However, the current government announced that this reduction would be put on hold and this was confirmed in the recent Budget on 11 March 2020 and the rate will remain at 19% past 1 April 2020. Therefore, deferred taxes at the balance sheet date have been measured using the most recent enacted tax rate at 19% and reflected in these financial statements.

9. **PRIOR YEAR ADJUSTMENT**

Comparative figures have been restated to incorporate the correction of share capital and share premium in the prior year accounts. Details of the adjustment and effect on the financial statements of the prior year, are provided below:

Share capital and share premium have been incorrectly stated in the financial statement previously as new allotment was not taken into consideration. The correction of this has increased the share issue costs of £386K and an exceptional amount of £170K in the prior year accounts.

As a result of the adjustment, the retained earnings shown in the prior year financial statements of £159,696K, is now showing as of £159,866K.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

10. INVESTMENTS

| | Shares in group undertakings £'000 |
|---|---|
| COST | |
| At 1 January 2019 and 31 December 2019 | <u>465</u> |
| PROVISIONS | |
| At 1 January 2019 and 31 December 2019 | <u>465</u> |
| NET BOOK VALUE | |
| At 31 December 2019 | <u><u>-</u></u> |
| At 31 December 2018 | <u><u>-</u></u> |

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

River Diamonds UK Ltd *

Registered office: England & Wales
Nature of business: Dormant

| | % |
|------------------|---------|
| Class of shares: | holding |
| Ordinary | 100.00 |

Viso Gero International Inc **

Registered office: British Virgin Islands
Nature of business: Dormant

| | % |
|------------------|---------|
| Class of shares: | holding |
| Ordinary | 100.00 |

* Application has been made to strike off River Diamonds UK Ltd. which is expected to be completed within 3 months.

** Viso Gero International Inc was re-instated during the year.

Investments in subsidiary companies are measured at cost, less accumulated provisions for impairments.

The directors have assessed that the investment in subsidiaries remain fully impaired as at 31 December 2019. The balance has been impaired during the period by £nil (2018: £nil). The impairment was calculated based on the expected return from the subsidiary over the period that it is expected to make distributable profits.

11. TRADE AND OTHER RECEIVABLES

| | 31.12.19 | 31.12.18 as restated |
|-------------------------|-----------------|-------------------------|
| | £'000 | £'000 |
| Current: | | |
| Unpaid share capital | 500 | 500 |
| Provision for bad debts | (500) | (500) |
| Prepayments | <u>-</u> | <u>8</u> |
| | <u><u>-</u></u> | <u><u>8</u></u> |

11. **TRADE AND OTHER RECEIVABLES - continued**

In order to fund the Company's previous subsidiary Vatukoula Gold Mine Limited in Fiji, during the year the Company loaned an additional £873,087 (2018: £728,000) and accounted for the outstanding loan interest of £3.36 million (2018: £1.87 million). At year end, the outstanding loan of £111million (2018: £109 million) is repayable on demand in US\$, and as a result of retranslation as at the balance sheet date, an unrealised foreign exchange gain of £1.76 million (2018: £8.14 million) has been charged through the foreign exchange reserve. The loan charges interest at 2% until 30 June 2019, and 4.75% with effect from 1 July 2019 (2018: 2.00%). However, the balance has been fully impaired as at the balance sheet date on the basis of the Fiji's company's cash flow position.

12. **CALLED UP SHARE CAPITAL**

| Allotted and issued: | | Nominal | 31.12.19 | 31.12.18 |
|----------------------|-----------------|---------|-------------------|-------------------|
| Number: | Class: | value: | | as restated |
| | | | £ | £ |
| 345,255,339 | Ordinary shares | 0.01 | 3,452,554 | 3,452,554 |
| 345,255,339 | Deferred shares | 0.04 | <u>13,810,214</u> | <u>13,810,214</u> |
| | | | <u>17,262,768</u> | <u>17,262,768</u> |

The deferred shares carry no voting rights, and no rights to dividends.

13. **RESERVES**

| | Retained earnings £'000 | Share premium £'000 | Other reserves £'000 | Totals £'000 |
|------------------------|----------------------------|------------------------|-------------------------|-----------------|
| At 1 January 2019 | (159,866) | 94,830 | 4,851 | (60,185) |
| Deficit for the year | (2,370) | | | (2,370) |
| Other reserve movement | - | - | (1,758) | (1,758) |
| At 31 December 2019 | <u>(162,236)</u> | <u>94,830</u> | <u>3,093</u> | <u>(64,313)</u> |

14. **TRADE AND OTHER PAYABLES**

| | 31.12.19 | 31.12.18 |
|------------------------------------|---------------|----------------------|
| | £'000 | as restated £'000 |
| Current: | | |
| Trade creditors | - | 24 |
| Accrued expenses | <u>55</u> | <u>12</u> |
| | <u>55</u> | <u>36</u> |
| Non-current: | | |
| Amounts owed to group undertakings | <u>46,995</u> | <u>42,894</u> |
| Aggregate amounts | <u>47,050</u> | <u>42,930</u> |

14. TRADE AND OTHER PAYABLES - continued

During the year, the Company has borrowed an additional amount of £0.94 million (2018: £12.85 million) from its immediate parent company, Zhongrun International Mining Co. Ltd. The Company has also accrued loan interest payable of £4.35 million (2018: £3.78 million) during the year. The total amount owed to its immediate parent as at the balance sheet date was £46.99 million (2018: £42.89 million). The loan accrues interest at 13.00% for all amounts owed as at 30 June 2019 and 4.75% for any new loans from 1 July 2019, all loans are repayable on demand.

15. ULTIMATE PARENT COMPANY

The ultimate controlling entity is Zhongrun Resources Investment Corporation a Chinese incorporated company listed on the Shenzhen Stock Exchange. The immediate parent company is Zhongrun International Mining Co. Ltd. who owns 79.5% of VGM's share capital.

16. COMMITMENTS AND CONTINGENCIES

The directors have confirmed that there were no contingent liabilities or capital commitments which should be disclosed at 31 December 2019.

17. RELATED PARTY DISCLOSURES

Apart from notes 11 and 14 disclosed the transactions with its fellow subsidiary and immediate parent. Other transactions and balances between related parties are set out below:

The value of the loan to Viso Gero International Inc., a wholly owned subsidiary in BVI as at 31 December 2019 is £nil (2018: £1.24 million). The loan was interest free and does not have any fixed repayment period has been fully impaired in the previous years. The loan has been written off this year because the subsidiary is dormant and the Board of Directors has assessed that the loan is no longer collectable.

During the year, the Company has loaned no further amounts to River Diamonds (UK) Limited, a wholly owned subsidiary in the UK. As at 31 December 2019, the loan balance has been written off because River Diamonds (UK) Limited is in the process of being dissolved post year end.

The Company deems key management personnel to be both the executive and non-executive directors. Only remuneration was paid to one director Mr Yingbin Ian He during the year ended 31 December 2019 and 2018, details were disclosed in note 4.

18. FINANCIAL INSTRUMENTS AND RISK MANAGERMENTS

The Company manages its capital to ensure it will be able to continue as a going concern. The accounting policies for financial instruments have been applied to the items below:

| | 31.12.19 £'000 | 31.12.18 £'000 |
|---|-------------------|-------------------|
| Loans and receivables | | |
| Trade and other receivables | - | 8 |
| Cash and cash equivalent | - | - |
| | <u>-</u> | <u>-</u> |
| | <u>-</u> | <u>8</u> |
| Financial Liabilities measured at amortised cost | | |
| Trade and other payables | 55 | 36 |
| Long term borrowings | 46,995 | 42,894 |
| | <u>47,050</u> | <u>42,930</u> |

The carrying value of the financial assets and liabilities approximates their fair value.

The Company's activities expose it to a variety of financial risks; currency risk, interest rate risk, credit risk, liquidity risk and capital risk. The policies for managing these risks are regularly reviewed and agreed by the Board. It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments should be undertaken.

(i) Currency rate risk

Loans between the company and its subsidiaries are made in the functional currency of the lending company. In all other respects, the policy for all Company is that they only trade in their principal operating currency, except in exceptional circumstances from time to time. The Company's expenses are incurred in pound sterling respectively. The Company's exposure to Currency risk is in regards to loans between Subsidiary Companies and its Ultimate parent Company.

For currency rate risk, the Company's exposure is considered to not be significant because as it does not hold any financial instruments denominated in foreign currencies, and there are no current repayments due within the next 12 months of any loan between a group company, and therefore quantitative information has not been provided.

(ii) Interest rate risk

Interest rate exposure arises mainly from cash holdings. Contractual agreements entered into at floating rates expose the entity to cash flow risk whilst the fixed rate borrowings expose the entity to fair value risk. The table below shows the Company's financial assets and liabilities split by those bearing fixed and floating rates and those that are non-interest bearing.

| | 31.12.19 £'000 | 31.12.18 £'000 |
|------------------------------|-------------------|-------------------|
| Financial assets | | |
| Trade and other receivables | - | 1,887 |
| Cash and cash equivalent | - | - |
| | <u>-</u> | <u>-</u> |
| | <u>-</u> | <u>1,887</u> |
| Financial Liabilities | | |
| Trade and other payables | 55 | 36 |
| Long term borrowings | 46,995 | 42,894 |
| | <u>47,050</u> | <u>42,930</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

The fair value of all financial instruments is approximately equal to book value due to their short term nature and the fact that they bear interest at floating rates based on the local bank rate.

For interest rate risk, the Company's exposure is considered to not be significant as it only holds cash and cash equivalents at a floating rate and therefore quantitative information has not been provided.

(iii) Credit risk

Credit risk arises from trade receivables and cash and cash equivalents. The Company's maximum exposure to credit risk relating to its financial assets is given in Note 11.

(iv) Liquidity risk

Responsibility for liquidity risk management rests with the board of directors, which has established appropriate liquidity risk frameworks for the management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and by matching maturity profiles of financial assets and liabilities.

The following table details the Company's maturity profiles of its financial assets and liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principle cash flows:

| | 31.12.19 £'000 | 31.12.18 £'000 |
|---|-------------------|-------------------|
| Financial assets | | |
| Trade and other receivables | - | 8 |
| Cash and cash equivalent | - | - |
| | ----- | ----- |
| Less than one year | - | 8 |
| | ----- | ----- |
| Financial Liabilities | | |
| Trade and other payables - less than one year | - | 25 |
| | ----- | ----- |
| Long term borrowings - more than one year | 46,995 | 42,894 |
| | ----- | ----- |

For liquidity risk, the Company's exposure is considered to not be significant as its only non-current financial liability is the loan note from its ultimate parent company, and no call on the loan note is due for over 12 months.

(v) Capital risk

The Company's capital management objectives (defined as net debt plus equity) are to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders, while maintaining a strong credit rating and headroom whilst optimising return to shareholders through an appropriate balance of debt and equity funding. The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions and the strategic objectives of the Company. Given the nature of early stage mining operations, the Company has been predominantly funded by equity. However once the mining operations are at a sufficiently advanced stage the Company may fund further expansion via debt. The Company includes within net debt borrowings, convertible loans, trade and other payables, less cash and short term deposits.

| | 31.12.19 £'000 | 31.12.18 £'000 |
|--------------------------|-------------------|-------------------|
| Trade and other payables | 55 | 36 |
| Long term borrowings | 46,995 | 42,894 |
| | ----- | ----- |
| Net debt | 47,050 | 42,930 |

Vatukoula Gold Mines plc

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

| | | |
|----------------------|---------------|---------------|
| Equity | <u>47.050</u> | <u>42.922</u> |
| Net debt plus equity | <u>-</u> | <u>8</u> |

To maintain or adjust the capital structure, the Company may issue new shares or return capital to shareholders. No changes were made in the objectives, policies or processes during the periods ending 31 December 2019 and 2018.

Vatukoula Gold Mines plc

Income Statement Summaries
for the Year Ended 31 December 2019

| | 31.12.19 | 31.12.18 |
|---|----------------|----------------------|
| | £'000 | as restated £'000 |
| ADMINISTRATIVE EXPENSES | | |
| Establishment costs | | |
| Directors' fees | 30 | 12 |
| Insurance | - | 10 |
| Administrative expenses | | |
| Accountancy | 34 | 20 |
| Legal fees | 33 | 40 |
| Auditors' remuneration | 7 | 6 |
| Foreign exchange losses | (1,196) | 1,021 |
| Impairment losses | <u>-</u> | <u>10,733</u> |
| | <u>(1,092)</u> | <u>11,842</u> |
| EXCEPTIONAL ITEMS | | |
| Investment and unpaid loan written off | <u>2,470</u> | <u>-</u> |
| | <u>2,470</u> | <u>-</u> |
| FINANCE COSTS | | |
| Loan interest payables | <u>4,347</u> | <u>241</u> |
| | <u>4,347</u> | <u>241</u> |
| FINANCE INCOME | | |
| Loan interest receivables | <u>3,355</u> | <u>1,866</u> |
| | <u>3,355</u> | <u>1,866</u> |

This page does not form part of the statutory financial statements