Public Accountants and Auditors
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info@pna.co.zw
PAAB Registration Number Z10054

WESTWOOD INDUSTRIAL (PRIVATE) LIMITED T/A LONELY MINE

FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

WESTWOOD INDUSTRIAL (PRIVATE) LIMITED T/A LONELY MINE
FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

BUSINESS ACTIVITIES:

Gold Mining

DIRECTORS:

C. Rose
M. O'Keefe

ADDRESS:

30 Eastern Valley Road
Daylesford
Gweru
Zimbabwe

AUDITORS:

PNA Chartered Accountants
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FOR THE SIX MONTHS ENDED 30 JUNE 2020

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These financial statements are presented in United States Dollars (USD).

Westwood Industrial (Private) Limited T/A Lonely Mine

Directors' responsibility and approval of the financial statements for the year ended 30 June 2020

The Directors' are required by the Companies Act (Chapter 24:03) to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The external auditor is engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies applied and supported by reasonable and prudent judgements and estimates.

The Directors' acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the Directors' to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors' are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The external auditor is responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditor and their report is presented on page 3-5.

The financial statements set out on page 6-18, which have been prepared on the going concern basis, were approved by the board of Directors on ...., and were signed on their behalf by:

Sign: O'Keeffe

Title: Director

MARK O'KEEFFE

Full Name

23.9.2020

Date

Sign: C Ross

Title: Director

COLIN ROSS

Full Name

23RD SEPT 2020

Date

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INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Westwood Industrial (Private) Limited T/A Lonely Mine set out on pages 6 to 20, which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Westwood Industrial (Private) Limited T/A Lonely Mine as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

The audit was conducted in accordance with International Standards on Auditing (ISA's). 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 Public Accountants and Auditors Board (PAAB) Code, which is consistent with the International Ethics Standard Board for Accountants Code of Ethics for Professional Accountants (Part A and B), together with other ethical requirements that are relevant to our audit of the financial statements in Zimbabwe, 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.

Responsibilities of the management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal control as the management 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, management 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 management either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objective is 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 International Standards on Auditing 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.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.
- We are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the special purpose audit. We remain solely responsible for our audit opinion.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Report on other legal and regulatory requirements

The company operated in compliance with the Companies Act (Chapter 24:03) requirements, as at 30 June 2020.

Report on other legal and regulatory requirements

The company operated in compliance with the Companies Act (Chapter 24:03) requirements, as at 30 June 2020.

The engagement partner on the audit resulting in this independent auditor's report is Shepherd Nhondova.

On this 28 **Day of** SEPTEMBER **2020 at Harare**

Signed by:

Mr. Shepherd Nhondova

Audit Partner
Registered Public Auditor (Zimbabwe)
PAAB Registration Number: 613
For and on behalf of:

PNA CHARTERED ACCOUNTANTS
Registered Public Auditors (Zimbabwe)
PAAB Firm Registration Number: Z10054
Address: 44 Princess Drive, Newlands, Harare

Statement of profit or loss and other comprehensive income
for the six months ended 30 June 2020

	Notes	30 June 2020 USD	31 December 2019 USD
Revenue		-	-
Cost of sales		-	-
Gross profit			
Administration expenses	1	(22 052)	(102 939)
Finance costs	2	(5 490)	(10 766)
Loss for the year		(27 542)	(113 705)
Other comprehensive income:		-	-
Total other comprehensive income		-	-
Total comprehensive loss for the year		(27 542)	(113 705)

Statement of financial position
as at 30 June 2020

	Notes	As at 30 June 2020 USD	As at 31 December 2019 USD
Assets			
Non-current assets			
Property, plant and equipment	3	73 258	83 520
Current assets			
Inventory		-	-
Cash and cash equivalents		-	-
Total current assets		-	-
Total assets		73 258	83 520
Equity and Liabilities			
Equity and reserves			
Share capital	4	100	100
Accumulated loss		(693 867)	(666 325)
Total equity and reserves		(693 767)	(666 225)
Non current liabilities			
Borrowings	5	735 975	718 695
Total non-current liabilities		735 975	718 695
Current liabilities			
Related party payables	6	31 050	31 050
Total current liabilities		31 050	31 050
Total equity and liabilities		73 258	83 520

....
Director

....
Director

Statement of changes in equity
for the six months ended 30 June 2020

	Share capital USD	Accumulated loss USD	Total equity USD
Balance as at 1 January 2019	100	(552 620)	(552 520)
Total comprehensive loss for the year	-	(113 705)	(113 705)
Balance as at 31 December 2019	100	(666 325)	(666 225)
Balance as at 1 January 2020	100	(666 325)	(666 225)
Total comprehensive loss for the year	-	(27 542)	(27 542)
Balance as at 30 June 2020	100	(693 867)	(693 767)

Statement of cash flows
for the six months ended 30 June 2020

	Notes	30 June 2020 USD	31 December 2019 USD
Cash flows from operating activities			
Loss before tax		(27 542)	(113 705)
Adjustment for:			
Depreciation	3	10 262	24 780
Impairment		-	55 670
Finance costs		5 490	10 766
Operating cash flows before working capital changes		(11 790)	(22 489)
Increase in related party payables		-	-
Cash flows utilised in operations		(11 790)	(22 489)
Interest expense paid		-	-
Income tax paid		-	-
Net cash flows utilised in operating activities		(11 790)	(22 489)
Cash flows from financing activities			
Directors operating loan		11 790	22 489
Net cash flows generated from financing activities		11 790	22 489
Decrease in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		-	-
Cash and cash equivalents at the end of the year		-	-

Statement of accounting policies for the financial statements
for the six months ended 30 June 2020

General Information

1 Accounting policies

1.1 Basis of preparation

The Company's financial statements have been prepared as General Purpose financial statements in accordance with the measurement, recognition and disclosure requirements of International Financial Reporting Standards, (IFRS) and the International Financial Reporting Interpretations Committee, (IFRIC). The financial statements have been prepared on an accrual basis.

The financial statements have been prepared in United States Dollars (USD), in accord with IFRS and are not statutory financial statements in accordance with Zimbabwean legislation.

1.2 Standards, amendments and interpretations to existing standards that have been adopted by the Company.

Management anticipates that all of the pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's financial statements.

IFRS 9 Financial Instruments (IFRS 9)

The IASB recently released IFRS 9 'Financial Instruments' (2014), representing the completion of its project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. The new standard introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new 'expected credit loss' model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting. The Company's management have yet to assess the impact of IFRS 9 on these financial statements.

IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities.

Amendments to IFRS 11 Joint Arrangements

These amendments provide guidance on the accounting for acquisitions of interests in joint operations constituting a business. The amendments require all such transactions to be accounted for using the principles on business combinations accounting in IFRS 3 'Business Combinations' and other IFRSs except where those principles conflict with IFRS 11. Acquisitions of interests in joint ventures are not impacted by this new guidance.

The company has no investments in joint arrangements. Accordingly, if adopted today, these amendments would not have an impact on these financial statements.

Statement of accounting policies for the financial statements
for the six months ended 30 June 2020

1.2 Standards, amendments and interpretations to existing standards that have been adopted by the Company. (Continued)

IFRS 16 Leases

Effective for annual periods beginning on or after 1 January 2019. The scope of IFRS 16 includes leases of all assets, with certain exceptions. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. IFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or at the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e, the right-of-use asset).

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right of-use asset. Lessor accounting is substantially unchanged from today's accounting under IAS17.

Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs. The standard is effective for year ends beginning 1 January 2019 and early application is permitted, but not before an entity applies IFRS 15.

1.3 Property, plant and equipment (IAS 16)

Property plant and equipment is stated at valuation less accumulated depreciation and impaiment losses. Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the asset will flow to the company and the cost can be measured reliably. All other repairs and maintenance are charged to operating expenses during the financial period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised. The assets' residual values , useful lives and methods of depreciation are reviewed at each financial year end and adjusted for prospectively, if appropriate.

Depreciation is provided to write off the carrying value of property, plant and equipment on a straight line basis at the following rates deemed appropriate having regard to the estimated useful lives:

Reduction - CIP	10 years
Mobile Plant	10 years
Mill Plant	20 years
Elution Plant	20 years
Mine Office	5 years

Statement of accounting policies for the financial statements for the six months ended 30 June 2020

1.4 Foreign currency translations

Items included in these financial statements are measured using United States Dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

1.5 Financial instruments

Financial instruments carried on the statement of financial position include trade and other receivables, cash and cash equivalents, trade and other payables. The particular recognition methods are disclosed below in the individual policy statements associated with them.

Trade receivables are recognised initially at fair value and subsequently measured at fair value less payments received from customers and allowance for bad debts. An allowance for bad debts is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in statement of profit or loss and other comprehensive income within "operating expenses". When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recorded within "other gains or losses" in statement of profit or loss and other comprehensive income as bad debts recovered.

1.5.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

1.5.2 Trade payables

Trade payables (including amounts due to related parties) are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.6 Impairment

The carrying amount of the company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at each reporting date. The impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income except where they relate to previously revalued assets in which case they are taken directly to the revaluation reserve to offset previous revaluation surpluses.

Statement of accounting policies for the financial statements
for the six months ended 30 June 2020

1.6 Impairment (continued)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, a previously recognised impairment loss is reversed only to the lower of the recoverable amount or the carrying amount had the asset not been impaired.

1.7 Employee Benefits

1.7.1 Short-term employee benefits

Short-term employee benefits include salaries; pension contributions; short-term compensated absences such as paid annual leave and paid sick leave; bonuses; and other benefits such as medical aid contributions, housing, company vehicles and free or subsidised goods or services. The company recognises the undiscounted amount of short-term employee benefits as an expense in profit and loss during the period in which the services are rendered. Short-term benefits expected to be paid in exchange for services rendered are recognised as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the company recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

1.7.2 Pension obligations

The company operates a defined contribution plan, the assets of which are generally held in a separate trustee-administered fund. The pension plans are generally funded by payments from employees and the company, taking into account the recommendations of independent qualified actuaries. Contributions are recognised in the statement of profit or loss and other comprehensive income, within employee benefit expense, in the period in which services are rendered by the employee.

1.7.3 National Social Security Authority Scheme

The company and all employees must contribute to the National Social Security Authority (NSSA) statutory pension and benefits scheme, which is a defined contribution scheme.

This scheme was promulgated under the National Social Security Act of 1989. The company's obligation under the scheme is limited to specific contributions as legislated from time to time, which are presently three per cent of pensionable emoluments.

1.8 Taxation

Income tax on profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

1.8.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income 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 date.

1.8.2 Deferred tax

Deferred income tax is provided for, using the statement of financial position method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

Statement of accounting policies for the financial statements
for the six months ended 30 June 2020

1.8.2 Deferred tax (continued)

The principal temporary differences arise from revaluation of property and equipment and tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

1.8.3 Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax except where the value added tax incurred on a purchase of assets or services is not recoverable from ZIMRA.

1.9 Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2 Revenue

Revenue is measured as the fair value of the consideration received or receivable and represents amounts receivable for the rendering of services in the ordinary course of the company's activities, stated net of discounts and value added tax. The company recognises revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below.

2.0.1 Sale of gold

Revenue from sale of gold is recognised when significant risks and rewards of ownership have transferred to the buyer.

2.1 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred. Expenditure for warranties is recognised when the company incurs an obligation, which is typically when the related goods are sold.

2.2 Leased assets

Operating leases

All other leases that are not finance leases are treated as operating leases. Where the company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

2.3 Related parties

For the purposes of these financial statements, a party is considered to be related to the company if:

2.3.1 The party has the ability, directly or indirectly through one or more intermediaries, to control the company or exercise significant influence over the company in making financial and operating policy decisions, or has joint control over the company;

2.3.2 The company and the party are subject to common control;

2.3.3 The party is an associate of the company or a joint venture in which the company is a venturer;

Statement of accounting policies for the financial statements
for the six months ended 30 June 2020

2.3 Related parties (continued)

2.3.4 The party is a member of key management personnel of the company or the company's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;

2.3.5 The party is an entity under the control, joint control or significant influence of such individuals; or

2.3.6 The party is a post-employment benefit plan which is for the benefit of employees of the company or of any entity that is a related party of the company.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

2.4 Share capital and reserves

Share capital represents the nominal value of shares that have been issued. Other components of equity include the following:

• revaluation reserve – comprises gains and losses from the revaluation of assets; and

• retained earnings includes all current and prior period retained profits.

All transactions with owners of the parent are recorded separately within equity. Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

2.5 Intangible assets

Intangible assets include acquired mining rights and acquired and used in production or administration that qualify for recognition as an intangible assets. They are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing.

2.6 Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

2.6.1 Useful lives of depreciable assests

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

Notes to the financial statements
for the six months ended 30 June 2020

	30 June 2020 USD	31 December 2019 USD
1 Administration expenses		
Depreciation	10 262	24 780
Manager	3 690	7 380
Security guards	2 450	4 900
General expenses	550	1 214
Impairment	-	55 670
Repairs and maintenance	-	644
Utility bills	1 500	3 051
Accounting and audit fees	3 600	5 300
	22 052	102 939
2 Finance cost		
Interest on loan	5 490	10 766

Notes to the financial statements
for the six months ended 30 June 2020

3 Property, plant and equipment	Plant and Equipment USD	Office furniture USD	Total USD
Year ended 31 December 2019			
Opening carrying amount	163 970	-	163 970
Impairment	(55 670)	-	(55 670)
Cost	(85 800)	-	(85 800)
Depreciation write off on impairment	30 130	-	30 130
Depreciation charge for the year	(24 780)	-	(24 780)
Closing carrying amount	83 520	-	83 520
As at 31 December 2019			
Cost/valuation	226 850	170	227 020
Accumulated depreciation	(143 330)	(170)	(143 500)
Closing carrying amount	83 520	-	83 520
Six months ended 30 June 2020			
Opening carrying amount	83 520	-	83 520
Additions	-	-	-
Depreciation charge for the period	(10 262)	-	(10 262)
Closing carrying amount	73 258	-	73 258
As at 31 December 2019			
Cost/valuation	226 850	170	227 020
Accumulated depreciation	(153 592)	(170)	(153 762)
Closing carrying amount	73 258	-	73 258

Notes to the financial statements
for the six months ended 30 June 2020

	30 June 2020 USD	31 December 2019 USD
4 Share capital		
4.1 Authorised		
10 000 Ordinary shares of USD 1.00 each	10 000	10 000
4.1 Issued and fully paid		
100 Ordinary shares of USD 1.00 each	100	100

Subject to the limitations imposed by the Companies Act (Chapter 24: 03) unissued shares are under the control of the directors.

5 Borrowings

Lender	Description	Nature of transaction	30 June 2020 USD	31 December 2019 USD
Balancing Rocks Investment Holding Limited	Shareholders loan		554 464	548 974
Balancing Rocks Investment Holding Limited	Directors	Operating loan	181 511	169 721
			735 975	718 695

The loans are unsecured, interest is charged at the rate of 2% on shareholders loan.

6 Related party payables

Related party	Nature of relationship		30 June 2020 USD	31 December 2019 USD
Employees	Contractual	Salaries	31 050	31 050

7 Capital commitments

There were no capital commitments as at 31 December 2019.

8 Contingent liabilities

There were no contingent liabilities as at 31 December 2019.

9 Events after reporting date

There were no events after the reporting date that affect the financial statements.