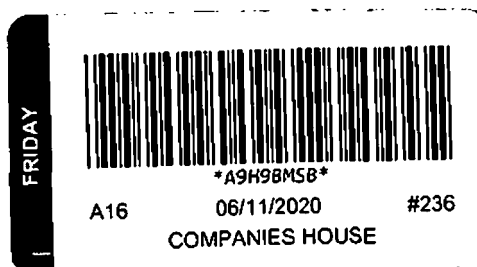


Lonrho Africa (Holdings) Limited
Annual report and financial statements
Registered number 00997945
For the Year Ended 31 December 2019



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Strategic report

The Directors of Lonrho Africa (Holdings) Limited ('the Company') present their Strategic report for the year ended 31 December 2019.

Principal activities and business review

The principal activity of the Company is that of an investment holding company.

The Company is the main investment holding company for Lonrho Holdings Limited ('the Group'). The Company incurs costs in relation to acquisitions and disposals made by the Group.

On 1 September 2019, the Company acquired a 83.7% voting and economic interest in Brands Consumer Group PCC ('Brands') a Mauritius based holding company for \$9.6 million. Brands is a distributor of Fast-Moving Consumer Goods ('FMCG') for both international and local Principals such as Beiersdorf (Nivea), Lindt, Ferrero, Lucky Star, Premier Food and Duracell. The Company has committed to provide Brands with a working capital facility of \$2.0 million, available to be accessed over a three-year period. As at 31 December 2019, the total facility was drawn.

The results for the year and the financial position at the year-end were considered satisfactory by the Directors.

There are no key financial performance indicators specific to the Company.

The main risk faced by the Company is the effect of fluctuations in the value of the investments.

Credit risk - Investments of cash surpluses are made through banks which must fulfil credit rating criteria approved by the Board. Debtors are monitored on an ongoing basis.

Foreign Currency risk - The Company's principal foreign currency exposures arise from the funding of and investing in overseas companies. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in US Dollars.

Liquidity risk - The Company manages its cash in order to maximise interest income whilst ensuring it has sufficient liquid resources to meet its operating needs.

Future Developments

The corporate strategy of the Company is to continue to invest in and develop companies within the African continent and to focus on business opportunities that are directly related to the economic growth and development of the African continent. The Directors carefully monitor cash resources within the Company, instigating a number of initiatives to ensure funding will be available for planned investments. If such funding cannot be secured, the investments would be delayed or cancelled to ensure that the Company can manage its cash resources for the foreseeable future.

Going concern

The directors have received confirmation from Lonrho Holdings Limited of its intention to financially support the Company such that the Company can meet its obligations as they fall due for at least 12 months from the date of the directors' approval of these financial statements.

Following the careful review of ongoing performance, and after making due enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue operational existence for the foreseeable future. The Group has been monitoring the effect the outbreak of Covid-19 has had on its operations and was not immune to the impact that governments around the world have implemented to stem the rate of infection. The Group has produced revised forecast based on the available information, which considers the potential downside sensitivities to its forecast. However, even in consideration of these potential downside scenarios, the Directors continue to believe that the group has sufficient cash resources to maintain its ability to continue as a going concern, despite the impact of the outbreak. The Group is also well positioned to capitalise on the potential increase in demand that is expected once the hard lockdown measures are lifted and the initial impact of the virus has stabilised. For these reasons, the Directors continue to adopt the going concern basis in preparing the financial statements.

Impact of Covid-19

In late 2019, a novel strain of COVID-19, also known as coronavirus, was reported in Wuhan, China. While initially the outbreak was largely concentrated in China, it has now spread to several other countries, including Africa, and infections have been reported globally. Most African governments within the countries that Lonrho divisions operate, have implemented measures to attempt to control the spread of the virus. These measures include temporary closure of businesses, social distancing, restriction on travel, and other limitations which places strain on the way business was being conducted. These measures have resulted in work stoppages and other disruptions. Lonrho has adapted its work environment in order to deal with this crisis. With African governments beginning to reopen the economies after weeks of lockdown, Lonrho is beginning to see a slow but steady return of business operations. The extent to which the coronavirus impacts our operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence. The Directors are closely monitoring the effect of Covid-19 on the Group results for 2020 by the strict monitoring of cash resources and ensuring costs are kept to a minimum.



N Taylor
Director

3 November 2020

Registered Number: 00997945

Directors' report

The Directors of Lonrho Africa (Holdings) Limited ('the Company') present their Directors' report and financial statements for the year ended 31 December 2019. The comparatives are for the year ended 31 December 2018.

Financial results for the period and dividends

The financial results of the Company are shown on page 7. The Directors do not recommend the payment of a dividend for the period (2018: \$nil).

Directors

The directors who held office during the year were as follows:

N Taylor

A Woolf

Directors and Officers liability insurance cover has been effected for the Directors of the Company.

Donations

No political nor charitable donations (2018: \$nil) have been made by the Company during the year.

Auditors

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Grant Thornton UK LLP will therefore continue in office.

Strategic Report

The principle activity and business review are disclosed in the Strategic Report on page 2.

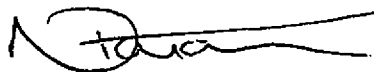
All risks and uncertainties are disclosed in the Strategic Report on page 2.

Going concern and future development are disclosed in the Strategic Report on page 2.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that so far as they are each aware, there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information.

By order of the Board:



N Taylor
Director

Registered Office

10th Floor

26-28 Hammersmith Grove

London

W6 7HA

3 November 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

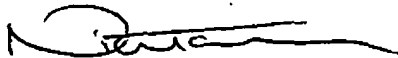
The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



N Taylor
Director

3 November 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONRHO AFRICA (HOLDINGS) LIMITED

Opinion

We have audited the financial statements of Lonrho Africa (Holdings) Limited (the 'company') for the year ended 31 December 2019 which comprise the Profit and loss account and statement of other comprehensive income, Balance sheet, Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of matter – Angolan payments

We draw attention to note 20 to the financial statements relating to the \$US 1,000,000 commission paid to an Angolan consultant in 2016 and 2017 to secure foreign currency allocations from Angola and the possibility that these arrangements might expose the Company to liability for breach of laws. The possibility of any such liabilities arising cannot be excluded nor quantified, and therefore no provision for any liability that may result has been made in the financial statements. Our opinion is not modified in respect of this matter.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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 directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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 for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 4, 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 is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nicholas Watson
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

3 November 2020

Profit and loss Account and other comprehensive income

For the year ended 31 December 2019

	Note	2019 \$000	2018 \$000
Other operating income		6,820	5,578
Operating costs	3	(2,645)	(2,424)
Loss on disposal of subsidiaries	10	-	(19,210)
OPERATING PROFIT/(LOSS)		4,175	(16,056)
Impairment of Intercompany loans		(12,719)	(12,267)
Interest receivable	6	2,216	3,592
Interest payable	6	(53)	(23,098)
LOSS BEFORE TAX		(6,381)	(47,829)
Income tax charge	7	(78)	(419)
LOSS FOR THE YEAR		(6,459)	(48,248)

Other comprehensive income

	2019 \$000	2018 \$000
Profit/(Loss) for the year	(6,459)	(48,248)
Total comprehensive profit/(loss)	(6,459)	(48,248)
ATTRIBUTABLE TO:		
Owners of the Company	(6,459)	(48,248)
Total comprehensive profit/(loss)	(6,459)	(48,248)

The notes on pages 10 to 23 are an integral part of these financial statements.

Balance sheet

As at 31 December 2019

	Note	2019 \$000	2018 \$000
ASSETS			
Intangible assets	8	341	437
Tangible assets	9	202	294
Investments in subsidiaries	10	56,548	54,948
Investment in associate	11	20,000	19,700
Right of Use Asset	15	400	-
TOTAL NON-CURRENT ASSETS		77,491	75,379
Debtors	12	7,894	11,342
Cash at bank		2,186	118
TOTAL CURRENT ASSETS		10,080	11,460
TOTAL ASSETS		87,571	86,839
EQUITY			
Share capital	13	606,637	606,637
Profit and Loss account	13	(529,473)	(522,969)
TOTAL EQUITY		77,164	83,668
LIABILITIES			
Operating lease liability	15	447	-
TOTAL NON-CURRENT LIABILITIES		447	-
Creditors	14	9,960	3,170
TOTAL CURRENT LIABILITIES		10,407	3,170
TOTAL LIABILITIES		10,407	3,170
TOTAL EQUITY AND LIABILITIES		87,571	86,839

The notes on pages 10 to 23 are an integral part of these financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 3 November 2020. Company number: 00997945. They were signed on its behalf by Nicholas Peter Taylor.



N Taylor
Director

Statements of Changes in Equity

For the year ended 31 December 2019

	Share Capital \$000	Profit and loss account \$000	Total \$000
1 January 2018	220,472	(474,720)	(254,248)
Total comprehensive profit/(loss) for the year	-	(48,248)	(48,248)
Issue of shares	386,165	-	386,165
1 January 2019	606,637	(522,968)	83,669
Implementation of IFRS 16	-	(46)	(46)
1 January 2019 (restated)	606,637	(523,014)	83,623
Total comprehensive profit/(loss) for the year	-	(6,459)	(6,459)
31 December 2019	606,637	(529,473)	77,165

The notes on pages 10 to 23 are an integral part of these financial statements.

Notes to the Financial Statements

1. Accounting Policies

Lonrho Africa (Holdings) Limited is a company incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's parent undertaking, Lonrho Holdings Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Lonrho Holdings Limited are prepared in accordance with International Financial Reporting Standards.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets.
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and

As the consolidated financial statements of Lonrho Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of certain disclosures.

The following disclosure exemption has also been adopted as equivalent disclosures are provided in the parent consolidated financial statements.

- Reduced financial instruments disclosures relating to IFRS 7 as equivalent disclosures are provided by the parent entity
- Reduced fair value measurement disclosures relation to IFRS 13 as equivalent disclosures are provided by the parent entity

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

1.2 Going concern

The directors have received confirmation from Lonrho Holdings Limited of its intention to financially support the Company such that the Company can meet its obligations as they fall due for at least 12 months from the date of the directors' approval of these financial statements.

Following the careful review of ongoing performance, and after making due enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue operational existence for the foreseeable future. The Group has been monitoring the effect the outbreak of Covid-19 has had on its operations and was not immune to the impact that governments around the world have implemented to stem the rate of infection. The Group has produced revised forecast based on the available information, which considers the potential downside sensitivities to its forecast. However, even in consideration of these potential downside scenarios, the Directors continue to believe that the group has sufficient cash resources to maintain its ability to continue as a going concern, despite the impact of the outbreak. The Group is also well positioned to capitalise on the potential increase in demand that is expected once the hard lockdown measures are lifted and the initial impact of the virus has stabilised. For these reasons, the Directors continue to adopt the going concern basis in preparing the financial statements.

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

- plant and equipment 4 – 6 years
- fixtures and fittings 4 – 6 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

1.5 Intangible assets, goodwill and negative goodwill**Other intangible assets**

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation

Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- software licenses 10 years

1.6 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.7 Taxation

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

1.8 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

1.9 Debtors

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated recoverable amounts are recognised in the income statement when there is objective evidence the asset is impaired.

1.10 Creditors

Trade payables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

1.11 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

1.12 Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the year of the borrowings on an effective interest basis.

1.13 Investments

Investments in subsidiary undertakings are stated at cost less amounts written off.

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value. All impairment losses are recognised in the income statement. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to the income statement. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the income statement. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

1.14 New accounting standards

IFRS 16 Leases became effective on 1 January 2019, the Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17. For contracts entered into before 1 January 2019, the Company determined whether the arrangement contained a lease by analysing whether the arrangement related to a specific asset and whether the Company had the right to control the use of that asset. The Company recognised the right to use asset which is measured at the present value of the remaining lease payments, plus any initial direct costs incurred and costs to dismantle and remove the underlying asset or restore the underlying asset or site on which it is located, and discounted using the incremental borrowing rate. The Company has elected to not recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than 12 months and or less, and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The right of use asset is subsequently depreciated using the straight-line method, from the date of implementation to the end of its lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the date of implementation, using the interest rate implicit in the lease, or if the rate cannot be readily determined, the Company's incremental borrowing rate. The incremental borrowing rate applied is the rate of interest that the Company would have to pay to borrow over a similar term and equal amount to the lease payments in a similar environment. The Company has assessed this rate to be 8%.

1.15 Other operating income

Income received from subsidiary companies by way of management fee or dividend is treated as other operating income.

1.16 Associates and joint ventures

Associates are those entities in which the Company has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. The Company records interests in associates, joint ventures and jointly controlled entities initially at cost and thereafter at cost less provisions for impairment. The cost of the investment includes transaction costs.

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value. All impairment losses are recognised in the income statement. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to the income statement. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the income statement. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

2.1 Calculation of recoverable amount

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit which the assets belong.

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

3. Operating costs

	2019 \$000	2018 \$000
INCLUDED IN OPERATING COSTS ARE:		
Depreciation of property, plant and equipment (note 9)	93	94
Depreciation of Right of Use Asset IFRS 16	200	-
Amortisation of property, plant and equipment (note 8)	(96)	(115)
Auditor's remuneration/Audit of these financial statements	8	7
Non- Audit remuneration	48	56
Reversal of impairment of amounts due from group undertakings	-	(25,688)
Consultancy fees	(670)	101
Legal fees	251	302
Foreign exchange movements	10	2,797
Operating lease, rates and service charge Rent, rates and service charge	28	318

4. Staff numbers and costs

The aggregate remuneration (including directors remuneration detailed in note 5) comprised:

	2019 \$000	2018 \$000
Wages and salaries	483	751
Compulsory social security contributions	80	134
Other pension (income)/costs	14	27
AT 31 DECEMBER	577	912

The average number of employees (including Executive Directors) was 3 (2018:7).

5. Director's Remuneration

	2019 \$000	2018 \$000
Statutory Director's Remuneration	242	246
Statutory pension	6	6
AT 31 DECEMBER	247	252

Key Management Personnel received total payments of \$512k (2018: \$454k). This includes both director's remuneration shown above as well as remuneration for directorships in other subsidiaries in the group.

During the year retirement benefits were accruing for 1 of the Directors (2018:1) in respect of defined pension schemes. The other director is remunerated by another company in the group.

During the year, both Directors are Directors of other group companies.

6. Net Interest

	2019 \$000	2018 \$000
Interest receivable on loans with group undertakings	2,216	3,592
INTEREST RECEIVABLE	2,216	3,592
Interest payable IFRS 16	(52)	-
Interest payable to bank	(1)	(23,098)
INTEREST EXPENSE	(53)	(23,098)
NET INTEREST EXPENSE	2,163	(19,506)

7. Income tax expense

	2019 \$000	2018 \$000
Current tax reconciliation		
Loss on ordinary activities before tax	(6,381)	(47,829)
Income Tax using the standard UK rate of corporation tax of 19.00% (2018: 19.00%)	(1,212)	(9,087)
Effects of:		
Non-deductible expenses	2,498	5,117
Current year loss or other deduction not recognised as a deferred tax asset	(945)	120
Group relief surrendered	55	4,064
Tax exempt revenues	77	(323)
Irrecoverable overseas tax charges	229	419
Other	(624)	109
CURRENT TAX CHARGE	78	419

UK Corporation tax is calculated at a rate of 19.00% (2018: 19.00%) of the estimated assessable profit/ (loss) for the year.

Recognised in other comprehensive income and equity

There is no material taxation effect arising on transactions recorded in other comprehensive income and equity.

8. Intangible Assets

	Software Licence \$000	Software Development \$000	Total \$000
COST			
At beginning of year	319	451	770
BALANCE AT 31 DECEMBER 2019	319	451	770
DEPRECIATION AND IMPAIRMENT LOSSES			
At beginning of year	(199)	(134)	(333)
Amortisation charge for the year	(50)	(46)	(96)
BALANCE AT 31 DECEMBER 2019	(249)	(180)	(429)
CARRYING AMOUNTS			
At beginning of year	120	317	437
AT 31 DECEMBER 2019	70	271	341

9. Tangible assets

	Furniture and Fittings \$000	Computer Equipment \$000	Total \$000
COST			
At beginning of year	975	1,102	2,077
Additions	-	-	-
BALANCE AT 31 DECEMBER 2019	975	1,102	2,077
DEPRECIATION AND IMPAIRMENT LOSSES			
At beginning of year	(696)	(1,086)	(1,782)
Depreciation charge for the year	(87)	(6)	(93)
BALANCE AT 31 DECEMBER 2019	(783)	(1,092)	(1,875)
CARRYING AMOUNTS			
At beginning of year	278	16	294
AT 31 DECEMBER 2019	192	10	202

10. Investment in subsidiariesShares in group undertakings
\$000**COST**

At beginning of year	212,950
Additions	9,600
Capital reduction received from LUBA	(8,000)
BALANCE AT 31 DECEMBER 2019	214,550

Provisions

At beginning of year	(158,002)
BALANCE AT 31 DECEMBER 2019	(158,002)

CARRYING AMOUNTS

At beginning of year	54,948
AT 31 DECEMBER 2019	56,548

During 2019, the group invested in Brands consumer Group for \$9.6m.

The subsidiary undertakings and associates of the company at the year-end are as follows:

	Country of incorporation	Ownership interest		Registered address	Registered number	Class of share held in subsidiary undertaking
		2019	2018			
Afex Holdings Ltd (in the process of liquidation)	United States	100.00%	100.00%	5441 Kietzke Lane, 2nd Floor, Reno, Nevada 89511, USA	E0096042011-5	N/A as it is an LLC
Afex Kenya Ltd	Kenya	0.00%	0.00%	Kalamu House, Grevillea Grove, PO Box 47323-0010, Nairobi, Kenya	C.35636	Ordinary
Afex Sudan Ltd	South Sudan	0%	0%	Juba Town, South Sudan	190	Ordinary
African Expeditions TZ Ltd (in process of being deregistered)	Tanzania	0%	0%	Block C1, Sameer Business Park, Mombasa Road, Nairobi, Kenya	68411	Ordinary
African Expeditions Uganda Ltd	Uganda	0%	0%	2683 Muyenga Road, Kabalagala, Kampala, Uganda	5842045	Ordinary
Africa Big Beverages Investment Limited	Mauritius	38.1%	38.1%	5th floor, Ebene Esplanade 24 Cybercity Ebene Mauritius.	150333	Ordinary
Arlington Associates International Ltd	Malta	50.00%	50.00%	Level 1, Suite No. 5, Tower Business Centre, Tower Street, Swatar, Birkirkara BKR 4013, Malta	C.59660	Ordinary
Atlantis Seafood Distributors (Pty) Ltd	South Africa	58.90%	58.90%	169 Neil Hare Road Atlantis Industrial, Cape Town 7349, South Africa	2003/006029/07	Ordinary
Atlantis Food Holdings (Pty) Limited	South Africa	58.90%	58.90%	169 Neil Hare Road, Atlantis Industrial, Cape Town 7349, South Africa	2009/012426/07	Ordinary
Atlantis Food Services (Pty) Limited	South Africa	58.90%	58.90%	169 Neil Hare Road Atlantis Industrial, Cape Town 7349, South Africa	2005/021351/07	Ordinary
Khanyisile Fishing (Pty) Ltd (formerly Atlantis Wholesalers (Pty) Ltd)	South Africa	58.90%	58.90%	169 Neil Hare Road Atlantis Industrial, Cape Town 7349, South Africa	2010/021773/07	Ordinary
Siyanyqoba fishing (Pty) Ltd (formerly Atlantis Retail Services (Pty) Ltd)	South Africa	58.90%	58.90%	169 Neil Hare Road Atlantis Industrial, Cape Town 7349, South Africa	2010/024361/07	Ordinary

	Country of incorporation	Ownership Interest		Registered address	Registered number	Class of share held in subsidiary undertaking
		2019	2018			
Atuabo Freeport Ghana Ltd	Ghana	100.00%	100.00%	4 Momotse Avenue, Adabraka, Accra, Ghana	CA-99,443	Ordinary
Benson Global Trading Ltd	British Virgin Islands	100.00%	100.00%	Palm Grove House, PO Box 438, Road Town, Tortola VG110, British Virgin Islands	649540	Ordinary
Breco Holdings Proprietary Limited	South Africa	58.90%	58.90%	4 Printers Way Printers Park Montague Gardens Millerton, Cape Town, 7741	1996/008679/07	Ordinary
Breco Proprietary Limited	South Africa	58.90%	58.90%	4 Printers Way Printers Park Montague Gardens Millerton, Cape Town, 7741	1995/002205/07	Ordinary
Big Africa Ventures Limited	Mauritius	27.00%	27.00%	24 Cybercity, 5th Floor, Ebene Esplanade, Ebene, Mauritius	151199	Ordinary
Canon Holdings (Pty) Ltd	South Africa	100.00%	100.00%	2nd Floor, 3 Melrose Boulevard, Melrose Arch, Johannesburg, South Africa	2015/400061/07	Ordinary
Complete Enterprise Solutions Ltd	Mauritius	54.35%	54.35%	1st Floor, Anglo-Mauritius House, Intendance Street, Port Louis, Mauritius	60914	Ordinary
Complete Enterprise Solutions Namibia (Pty) Ltd	Namibia	90.00%	90.00%	Shop 48, 2nd Floor, Old Power Station Complex, Armstrong Street, Windhoek, Namibia	2012/0223	Ordinary
Complete Enterprise Solutions South Africa (Pty) Ltd	South Africa	54.35%	54.35%	Block B, Bradford House, 12 Bradford Road, Bedfordview, Johannesburg, South Africa	2007/025504/07	Ordinary
Complete Enterprise Solutions Zambia Ltd	Zambia	48.90%	48.90%	Nkwazi House, Stand 25/26, Cnr Nkwazi & Chachacha, Lusaka, Zambia	74884	Ordinary
Crop Harvest Ltd	Mauritius	100.00%	100.00%	10th Floor, Standard Chartered Tower, 19 Cybercity, Ebene, Mauritius	95061	Ordinary
Cultivate Harvest Ltd	Mauritius	100.00%	100.00%	10th Floor, Standard Chartered Tower, 19 Cybercity, Ebene, Mauritius	96748	Ordinary
Global Horizons Ltd	Isle of Man	0%	0%	33 Athol Street, Douglas IM1 1LB, Isle of Man	006442V	Ordinary
Duet Big Beverages Africa Holdings Limited	Mauritius	43.60%	38.10%	24 Cybercity, 5th Floor, Ebene Esplanade, Ebene, Mauritius	C144000	Ordinary
LAH Support Services Ltd	Mauritius	100.00%	100.00%	10th Floor, Standard Chartered Tower, 19 Cybercity, Ebene, Mauritius	112193	Ordinary
LonAgro (SS) Ltd	South Sudan	99.00%	99.00%	Afex Camp, Riverside, Juba, South Sudan	13,531	Ordinary
LonAgro GEP Manufacturing PLC (incorporated 31-Mar-16)	Ethiopia	99.00%	99.00%	House No. 683, Nefas Silk Lafto Sub City, Wereda 06, Addis Ababa, Ethiopia	EIA-PC/01/005242/08	Common
LonAgro Malawi Ltd (formerly Lonrho M Ltd) (incorporated 24-Nov-15)	Malawi	100.00%	100.00%	Blantyre East, Stand 153, Kristwick, Masauko Chipembere Highway, Blantyre, Malawi	MBRS1004846	Ordinary
LonAgro Mozambique Lda (formerly Trak Auto Lda)	Mozambique	100.00%	100.00%	Bairro do Zimpeto, EN1, Field 13, Maputo, Mozambique	15,551	Quotas
LonAgro Rwanda Ltd	Rwanda	100.00%	100.00%	Gasenga, Kicukiro, Umujyi wa Kigali, Rwanda	105141391	Ordinary
LonAgro Tanzania Lda	Tanzania	100.00%	100.00%	Plot No. 46B, Ursino Street.	85694	Ordinary

	Country of incorporation	Ownership Interest		Registered address	Registered number	Class of share held in subsidiary undertaking
		2019	2018			
				Regent Estate, Dar es Salaam, Tanzania		
LonAgro-Equipamentos Agrícolas Lda	Angola	51.00%	51.00%	Estrada Nacional 130, Km 48, Comunidade de Bon Jesus, Luanda, Angola	1.529-09/090706	Quotas
Lonrho Africa Holdings BV	Netherlands	100.00%	100.00%	Luna ArenA, Herikerbergweg 238, CM-1101, Amsterdam, The Netherlands	34112084	Ordinary
Lonrho Agribusiness (BVI) Ltd	British Virgin Islands	100.00%	100.00%	Palm Grove House, PO Box 438, Road Town, Tortola VG110, British Virgin Islands	1482197	Ordinary
Lonrho Agriculture Angola Ltd	British Virgin Islands	100.00%	100.00%	Palm Grove House, PO Box 438, Road Town, Tortola VG110, British Virgin Islands	1508992	Ordinary
Lonrho Amathonga Hotels (Pty) Ltd (in process of being deregistered)	South Africa	70.00%	70.00%	102 First Floor, Fulham House, 20 Georgian Crescent, Hampton Park North, Johannesburg 2021, South Africa	2009/010597/07	Ordinary
Lonrho Energy (Pty) Ltd (in process of being deregistered)	South Africa	70.00%	70.00%	102 First Floor, Fulham House, 20 Georgian Crescent, Hampton Park North, Johannesburg 2021, South Africa	2009/008050/07	Ordinary
Lonrho Equipment Ltd	Mauritius	100.00%	100.00%	10th Floor, Standard Chartered Tower, 19 Cybercity, Ebene, Mauritius	105593	Ordinary
Lonrho Food Supply Chain Management Ltd	United Kingdom	100.00%	100.00%	10th Floor, 26-28 Hammersmith Grove, London W6 7HA, UK	05878892	Ordinary
Lonrho Fresh (Pty) Ltd (In liquidation)	South Africa	100.00%	100.00%	Cnr Webb & Jones Roads, Jetpark, Boksburg, Johannesburg 1459, South Africa	2003/001714/07	Ordinary
Lonrho Infra One UK Ltd	United Kingdom	100.00%	100.00%	10th Floor, 26-28 Hammersmith Grove, London W6 7HA, UK	06310007	Ordinary
Lonrho Infra Three UK Ltd	United Kingdom	100.00%	100.00%	10th Floor, 26-28 Hammersmith Grove, London W6 7HA, UK	09041122	Ordinary
Lonrho Infra Two UK Ltd	United Kingdom	100.00%	100.00%	10th Floor, 26-28 Hammersmith Grove, London W6 7HA, UK	06055860	Ordinary
Lonrho Infrastructure Ltd	United Kingdom	100.00%	100.00%	10th Floor, 26-28 Hammersmith Grove, London W6 7HA, UK	06310008	Ordinary
Lonrho International Services Ltd	Mauritius	100.00%	100.00%	2nd Floor, Block B, Medine Mews, Chaussee Street, Port Louis, Mauritius	132736	Ordinary
Lonrho Investments Ltd	United Kingdom	100.00%	100.00%	10th Floor, 26-28 Hammersmith Grove, London W6 7HA, UK	05840279	Ordinary
Lonrho IT Ltd	Mauritius	100.00%	100.00%	10th Floor, Standard Chartered Tower, 19 Cybercity, Ebene, Mauritius	103916	Ordinary
Lonrho Johannesburg (Pty) Ltd (formerly Lonrho FSCM Services Pty Ltd)	South Africa	100.00%	100.00%	11 Alice Lane, Building 3, 4th Floor South East Suite Sandton Johannesburg South Africa 2146 South Africa	2014/13826/07	Ordinary
Lonrho Logistics (Private) Ltd	Zimbabwe	100.00%	100.00%	Bidvest Complex, Area 5, New Cargo Village, International Airport, Harare, Zimbabwe	0654/2012	Ordinary

	Country of incorporation	Ownership Interest		Registered address	Registered number	Class of share held in subsidiary undertaking
		2019	2018			
Lonrho Logistics (Pty) Ltd	South Africa	100.00%	100.00%	Cnr Webb & Jones Roads, Jetpark, Boksburg, Johannesburg 1459, South Africa	2007/034302/07	Ordinary
Lonrho Logistics Mozambique Lda	Mozambique	100.00%	100.00%	Couto Graça & Associados Av. 24 de Julho, no 7 7o Andar Maputo Mozambique	100485117	Quotas
Lonrho Logistics MU Ltd	Mauritius	100.00%	100.00%	10th Floor, Raffles Tower 19 Cybercity Ebene Mauritius	112820	Ordinary
Lonrho Market Expansion Services Ltd	United Kingdom	100.00%	100.00%	10th Floor, 26-28 Hammersmith Grove, London W6 7HA, UK	06319872	Ordinary
Lonrho MES Ltd	Mauritius	100.00%	100.00%	2nd Floor, Block B, Medine Mews, Chaussee Street, Port Louis, Mauritius	124720	Ordinary
Lonrho Ports Ghana Ltd	Mauritius	100.00%	100.00%	10th Floor, Raffles Tower 19 Cybercity Ebene Mauritius	106019	Ordinary
Lonrho Projects Agri (Pty) Ltd (in process of liquidation)	South Africa	70.00%	70.00%	102 First Floor, Fulham House, 20 Georgian Crescent, Hampton Park North, Johannesburg 2021, South Africa	2009/007772/07	Ordinary
Lonrho Projects Consulting (Pty) Ltd (in process of strike off)	South Africa	70.00%	70.00%	102 First Floor, Fulham House, 20 Georgian Crescent, Hampton Park North, Johannesburg 2021, South Africa	2009/009527/07	Ordinary
Lonrho Projects South Africa (Pty) Ltd (in process of strike off)	South Africa	70.00%	70.00%	102 First Floor, Fulham House, 20 Georgian Crescent, Hampton Park North, Johannesburg 2021, South Africa	2008/006054/07	Ordinary
Lonrho Securtec (Pty) Ltd (in process of strike off)	South Africa	70.00%	70.00%	102 First Floor, Fulham House, 20 Georgian Crescent, Hampton Park North, Johannesburg 2021, South Africa	2009/009501/07	Ordinary
Lonrho South Africa (Pty) Ltd (in the process of strike off)	South Africa	100.00%	100.00%	102 First Floor, Fulham House, 20 Georgian Crescent, Hampton Park North, Johannesburg 2021, South Africa	2006/031629/07	Ordinary
Lonrho Water (Pty) Ltd (in process of strike off)	South Africa	100.00%	100.00%	90 De Korte Street, Braamfontein, Johannesburg 2017, South Africa	2006/039221/07	Ordinary
LPMS Ltd	Ghana	100.00%	100.00%	4 Momotse Avenue, Adabraka, Accra, Ghana	CS501332014	Ordinary
Luba Free Port Ltd	Jersey	100.00%	100.00%	2nd Floor Gaspe' House 66 - 72 Esplanade St Helier Jersey JE1 1GH Jersey	67503	Ordinary
Mozambique Machines Ltd	Mauritius	100.00%	100.00%	10th Floor, Raffles Tower 19 Cybercity Ebene Mauritius	094912	Ordinary
Protea Seafoods Ltd	Mauritius	100.00%	100.00%	10th Floor, Standard Chartered Tower 19 Cybercity Ebene Mauritius	099067	Ordinary

	Country of incorporation	Ownership interest		Registered address	Registered number	Class of share held in subsidiary undertaking
		2019	2018			
Remote Facilities and Catering Services Limited	Tanzania	99.90%	99.90%	Golden Jubilee Towers, 16th Floor, Ohio Street, Dar es Salaam, Tanzania	127336	Ordinary
Rollex Cargo (Pty) Ltd	South Africa	100.00%	100.00%	Unit 33 Foreign Airlines Cargo Cent OR Tambo International Airport Kempton Park Gauteng 1627 South Africa	2006/028672/07	Ordinary
Savanna Canvas Ltd	Kenya	1.00%	1.00%	Kalamu House, Grevillea Grove, PO Box 47323-0010, Nairobi, Kenya	C.48199	Ordinary
Sociedade Comercial Bytes & Pieces Lda	Mozambique	65.00%	65.00%	Rua da Unami, Nr 21, Maputo, Mozambique	12060	Quotas
Stronner Holding AG (liquidated on-03-2018)	Switzerland	0%	0%	Bellerivestrasse 201, 8034 Zurich, Switzerland	CHE-11.698.161	Ordinary
Swissta Holding Ltd	Mauritius	100.00%	100.00%	Suites 340-345 Barkly Wharf, Le Caudan Waterfront, Port Louis, Mauritius	54284	Ordinary
Swissta Mozambique Lda	Mozambique	99.00%	99.00%	Avenida do Moamba No. 7111/1, Machava, Maputo, Mozambique	17166	Quotas
Tanzania Harvest Ltd	Mauritius	100.00%	100.00%	10th Floor, Raffles Tower 19 Cybercity Ebene Mauritius	105677	Ordinary
The Big Bottling Company Limited	Nigeria	37.04%	37.04%	252E Muri Okunola Street, Victoria Island, Lagos Nigeria	1093395	Ordinary
Brands Consumer Group Holding	Mauritius	83.70%	0%	Level 2 Alexander House, Silicon Avenue, Ebene Cybercity, Mauritius, 72201	C139895	Ordinary
Brands Consumer Group (Mauritius) Ltd	Mauritius	83.70%	0%	Level 2 Alexander House, Silicon Avenue, Ebene Cybercity, Mauritius, 72201	144592	Ordinary
Brands Africa Ltd	Zambia	83.70%	0%	Sub COS Sub 34 of Farm 397A York Commercial Park, mkeni, Lusaka, 35637, Zambia	95157	Ordinary
Brands Africa Ltd	Malawi	83.70%	0%	Grevilla Avenue, Limbe, CC383A, Malawi	MBRS 1012368	Ordinary
BCG Supply Chain (Pty) Ltd	South Africa	83.70%	0%	Ruwag Building City Deep Production, 83 Heidelberg Road, City Deep, Gauteng, 2197, South Africa	2016/296383/07	Ordinary
BCG Supply Chain (Pty) Ltd	Botswana	83.70%	0%	Plot 465, Maitangwane Road, Ext 4, PO Box 46699, Village, Gaborone, Botswana	CO2017/21279	Ordinary
Safari Distributors (Pty) Ltd	Botswana	83.70%	0%	Gaborone Plot 50370, Acumen Park, Fairgrounds Office Park, Gaborone, Botswana	2000/2830	Ordinary

Exchange Control procedures exist in Mozambique, Zimbabwe & South Africa, which place restrictions on repatriation of cash to the Group.

11. Investment in Associate

On the 1 August 2018 the company acquired a 43.6% equity interest in Duet Big Beverage Africa Holdings Limited ("Duet"). The ultimate subsidiary of this company is Big Bottling Company Limited (BBC), previously known as AJEAST Nigeria Limited. Lonrho holds an effective interest of 37.04% in this company. BBC is registered in Nigeria and is a carbonated soft drink manufacturer and distributor based in Lagos. BBC is a private company; therefore, no quoted market prices are available for its shares.

	2019 \$000	2018 \$000
At beginning of year	19,700	-
Investment in Duet	-	20,000
Adjustment to Management fee	300	(300)
AT 31 DECEMBER	20,000	19,700

12. Debtors

	2019 \$000	2018 \$000
Other receivables	1,752	1,347
Prepayments	124	531
Amounts owed by Group undertakings	7,196	10,642
Gross trade and other debtors	9,072	12,520
Allowance for doubtful debts	(1,178)	(1,178)
Net trade and other debtors	7,894	11,342

The Directors consider the carrying amount of debtors for the Company approximates to their fair value. No interest is charged on non-group receivables. The 2019 balance sheet has been restated to show the provisions netting off the assets they relate to.

	2019 \$000	2018 \$000
Movement in the allowance for doubtful debts		
At beginning of year	1,178	1,274
Foreign exchange on revaluation	-	(96)
AT 31 DECEMBER	1,178	1,178

13. Capital and reserves

<i>Share Capital</i>	2019 £000	2018 £000
At 1 January – 606,637,110 ordinary shares of \$1 each	606,637	220,472
Issue of shares	-	386,165
AT 31 DECEMBER	606,637	606,637

Reserves

	Share capital \$000	Retained earnings \$000	Total equity \$000
At 1 January	606,637	(522,968)	83,669
Implementation due to IFRS 16	-	(46)	(46)
Profit for the year	-	(6,459)	(6,459)
AT 31 DECEMBER	606,637	(529,473)	77,165

14. Creditors

	2019 \$'000	2018 \$'000
Creditors	20	305
Accruals	1,028	1,479
Indirect tax and social security liabilities	44	54
Other creditors	475	-
Amounts owed to group undertakings	8,393	1,332
AT 31 DECEMBER	9,960	3,170

The Directors consider that the carrying amount of creditors approximates to their fair value.

15. Lease

On 1 January 2019, the Company adopted IFRS 16 as published by the IAS in January 2016. It requires lessees to make use of a single lease accounting model to recognise a right-of-use asset for all qualifying leases and a corresponding lease liability as the present value of all future payments as opposed to a straight-lining expense in terms of IAS 17. IFRS 16 sets out the principles for recognition, measurement, presentation and disclosure of leases. IFRS 16 has a material impact on the Company's statement of financial position arising from leased rental properties.

At the reporting date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases relating to property, which fall due as follows:

	2019 \$'000
Total operating lease commitments disclosed at 1 January 2019	752
Discounted using the 8% incremental borrowing rate	(106)
Total lease liabilities recognised under IFRS 16 as at 1 January 2019	646

	Right-of-use asset \$'000	Lease liabilities \$'000
On adoption – 1 January 2019	600	646
Depreciation	(200)	0
Lease interest	-	52
Lease payments	-	(251)
As at 31 December 2019	400	447

Current	200
Non - current	247
	447

	2019 \$'000
Income Statement effects	
Depreciation	200
Interest expense	52

All leases are on standard terms with no amounts of variable lease payments.

16. Capital commitments

The Company had no capital commitments at 31 December 2019 (2018: nil).

17. Contingent liabilities

There were no contingent liabilities at the reporting date (2018: nil), the outcome of which the Directors consider could materially impact the financial statements.

18. Related parties**Transactions with subsidiaries**

At the reporting date, Lonrho Africa (Holdings) Limited owed Lonrho Limited \$nil (2018: nil). Lonrho Africa (Holdings) Limited holds the operating bank accounts for the Lonrho Group and the majority of the Group's investments in subsidiaries. Other amounts owed by the company to undertakings at the reporting date were to Lonrho Holdings Limited \$8.7m (2018: \$1.3m). Lonrho (Africa) Holdings limited has the amounts set out below are owed to it by the non-wholly owned subsidiaries listed:

	2019 '000	2018 '000
Complete Enterprise Solutions Ltd (Mauritius)	1 402	1 402
Complete Enterprise Solutions Zambia Ltd	200	200
Complete Enterprise Solutions (Pty) Ltd	413	413
Lonagro Equipamentos Agricolas Ltd *	-	6 471
Lonagro (SS) Ltd *	-	274

* In 2019 these loans have been fully provided for. The Company has taken advantage conferred by FRS101 Section 8 in not disclosing transactions with entities 100% owned.

19. Ultimate parent company

The largest and smallest group in which the results of Lonrho Limited are consolidated is that headed by Lonrho Holdings Limited. The Company's ultimate and immediate parent company is Lonrho Holdings Limited, a company registered in England and Wales (26-28 Hammersmith Grove, London, W6 7HA) No other group financial statements include the results of Lonrho Africa Holdings Limited.

20. Contingent Liabilities**LonAgro Equipamentos Lda ("LonAgro")**

During 2016, in light of currency restrictions in Angola the Group's Angolan subsidiary, LonAgro, engaged a local consultant to provide advice, consultation and assistance in support of making representations to the Bank of Angola to motivate and expedite bona fide \$US foreign currency allocations from the Bank of Angola. LonAgro paid the consultant \$US1.0m in commission for this service, during 2016 and 2017, being a rate of 15% of the total currency allocations secured.

Whilst certain due diligence was undertaken in relation to the consultant and whilst no issues were brought to the attention of the Group either then or since then, the Group's Auditors, on 28 March 2017 queried whether the Group could exclude the possibility that the foreign currency allocations may have been improperly procured by the consultant.

A thorough investigation was then undertaken by the Lonrho Group. This included:

1. legal advice from local Angolan counsel;
2. further enquiries of, and in relation to, the consultant including background checks and face to face interviews;
3. additional interviews with relevant LonAgro personnel (past and present);
4. a detailed review of documentation concerning the services provided by the consultant;
5. a targeted review of email traffic relevant to the instruction and work of the consultant;
6. a detailed level three due diligence review from an independent risk consultancy, and;
7. independent advice from the specialist regulatory risk team of an International Law Firm.

The investigation did not identify any evidence that foreign currency allocations were improperly procured. Although the company ceased engaging with the consultant during 2017, and no substantive concerns have come to light at any stage, it is impossible to exclude the risk that inappropriate actions may have occurred that could expose the company to the consequences of a breach of local or UK laws.

Having taken legal advice, the Directors consider the possibility of any liability arising in the future can currently neither be excluded nor quantified and therefore no provision has been included within the financial statements of the Company and the Group. However, in light of the lack of any substantive concerns having been raised to date and in light of the passage of time since the local consultant was first engaged, the Directors consider that any such risks are low.

21. Events after the reporting date

On 11 March 2020, the World Health Organisation (WHO) officially declared COVID-19, the disease caused by novel coronavirus, a pandemic. Management currently has an appropriate response plan in place by an on-going process of cash conservation and cash monitoring, with a secondary focus on cost savings. Management will continue to monitor and assess the ongoing development and respond accordingly. Management has discussed the impact of Covid-19 on assets held by the company at year end in the Outlook section within the Strategic Report.

On the 10th April 2020, Lonrho entered into an agreement to dispose of its 100% equity interest in LonAgro Market Expansion Services ("LonAgro"). The cash consideration received will be \$1. The sale is subject to conditions such as competition commission approval within Angola and Tanzania. Lonrho does not expect this to prevent the sale from concluding successfully and expect to recognise the impact of the sale in the 2020 financial year. Lonrho retains control of the business which includes working capital obligations and commitments until the sale is finalised. The disposal of the LonAgro division will lead to an impairment to the Lonrho Brand and a loss on sale of LonAgro which is expected to be substantial and up to \$20m.