

ANNUAL REPORT & FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2018

SUPREME   
PERCH

M/S SUPREME PERCH LIMITED  
P.O. BOX 2589,  
MWANZA, TANZANIA

*Tanna & Co*

Certified Public Accountants in Public Practice  
P.O. Box 405, Mwanza, Tanzania.  
TEL: 2503000/2541239 FAX: 2503000  
Website: [www.tannatz.com](http://www.tannatz.com)

**M/S SUPREME PERCH LIMITED**  
**Annual report and financial statements**  
**for the year ended 31st December 2018**

---

<b>CONTENTS</b>	<b><u>PAGE</u></b>
Company information	1
Directors' report	2 - 3
Statement of directors' responsibilities	4
Declaration by Head of Finance	5
Independent auditor's report	6 - 7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Significant accounting policies	12 - 17
Notes to financial statements	18 - 27
Income Tax Computation	28

**M/S SUPREME PERCH LIMITED**  
**Annual report and financial statements**  
**for the year ended 31st December 2018**

---

**COMPANY INFORMATION**

			<u>Nationality</u>
<b>Board of Directors</b>	Saju Thankappan	- Managing Director	- Indian
	Smitha Saju	- Director	- Indian
<b>Chief Officers</b>	Manoj Manoharan		
<b>Registered office</b>	Plot No. 52, Kenyatta Road, Igogo Industrial Area, P.O Box 2589 Mwanza, Tanzania.		
<b>Factory Location</b>	Plot No. 4,5,6, Block B, Kenyatta Road, Igogo Industrial Area, Mwanza, Tanzania.  Plot No. 37, Kahororo Ward, Bukoba Municipality, Nyamkazi Industrial Area, Kagera, Tanzania.		
<b>Auditors</b>	M/s Tanna & Co, Certified Public Accountants in Public Practice 24 K Kenyatta Road, PO Box 405, Mwanza, Tanzania.		
<b>Company Secretary</b>	Mrs. Smitha Saju, Plot No. 52, Kenyatta Road, Igogo Industrial Area P.O Box 2589, Mwanza, Tanzania.		
<b>Principal Bankers</b>	- Exim Bank (Tanzania) Limited Kenyatta Road Branch, Mwanza, Tanzania.  - CRDB Bank PLC Bukoba, Tanzania  - Diamond Trust Bank Tanzania Limited Mwanza, Tanzania.  - Stanbic Bank Tanzania Limited Mwanza, Tanzania.		
<b>Legal Advisors</b>	Vedastus Laurean PO Box 11548, Mwanza, Tanzania.		
<b>TIN Identification</b>	132-729-204		

**M/S SUPREME PERCH LIMITED****Director's Report****for the year ended 31st December 2018**

1. The Directors submit their report and the audited financial statements for the year ended 31st December 2018, which disclose the state of affairs of the company.

**2. INCORPORATION**

The company is incorporated in Tanzania under the Companies Act , On 05th January, 2017 under the Certificate of Incorporation No. 132318. The Company began trading production operations on March 22nd 2017.

**3. PRINCIPAL ACTIVITIES**

The Principal activities of the Company are that of processing and exporting of fish.

**4. ADMINISTRATIVE MATTERS**

The company is capable of handling all administrative matters.

**5. SHARE CAPITAL**

The total issued Share Capital of the company amounts to 1,000 Ordinary Shares

There were no changes in the issued Share Capital of the Company.

The Shareholding of the Company is as follows :

	Ordinary shares of TZS 1,000,000 each			
	2018		2017	
	No. of shares	Nominal value	No. of shares	Nominal value
Saju Thankappan	75	75,000,000	75	75,000,000
Smitha Saju	25	25,000,000	25	25,000,000
	<b>100</b>	<b>100,000,000</b>	<b>100</b>	<b>100,000,000</b>

**6. RESULTS OF THE YEAR**

	2018	2017
	TZS	TZS
Sales	46,732,162,755	38,856,081,915
Operating Profit / (Loss)	(3,034,560,450)	(557,818,602)
Profit / (Loss) before Tax	(2,811,772,303)	(637,927,011)
Profit / (Loss) after Tax	(2,810,622,750)	(642,784,478)

**7. DIVIDEND**

The Directors do not recommend the declaration of a dividend for the period.

**8. DIRECTORS' REMUNERATION**

Director's Remuneration for payment for services rendered by the Directors of the Company during the year ended 31 December 2018 is shown on Note 6(a).

9. SUBSEQUENT EVENTS

There are no subsequent events that have occurred which are either to be disclosed or to be adjusted in the financial statements that could materially affect the financial statements.

10. ACCOUNTING POLICIES

The annual financial statements are prepared on the underlying assumption of a going concern.  
The Company's accounting policies, which are laid out on pages 12 to 17 are subject to an annual review to

11. RELATED PARTY TRANSACTIONS

All related party transactions and balances are disclosed under note 19 to the financial statements.

12. CORPORATE GOVERNANCE

Code of Corporate Practice and Conduct

Supreme Perch is committed to the principles of effective corporate governance and the Board is of the opinion that the Company currently complies with principles of good Corporate Governance.

Board of Directors

The Board of Supreme Perch Limited consists of two Directors. The Board is confident that its members have the knowledge, talent and experience to lead the Company. The Board delegates the day-to-day management of the business to the senior management. Senior management is invited to attend Board meetings and facilitates the effective control of all the Company's operational activities, acting as a medium of communication and coordination between all the various business units.

Risk Management and Internal Controls

The Board accepts final responsibility for the risk management and internal control systems of the Company. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

The effectiveness and efficiency of operations:

- The safeguarding of the Company's assets (including information);
- Compliance with the applicable laws, regulations and supervisory requirements;
- The reliability of the accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviour towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures.

There is always a risk of non-compliance of such measures by staff. Consequently, even a strict and efficient internal control system can provide no more than a reasonable measure of assurance in respect of the above mentioned objective.

The Board assessed the internal control systems throughout the financial year ended 31 December 2018 and is of the opinion that they met acceptable criteria.

13. AUDITORS

The Company's auditors Tanna & Co., have indicated their willingness to continue in office and are eligible for re-appointment.

BY ORDER OF THE BOARD:

Saju Thankappan

Date 21 JUN 2019



Smitha Saju

**M/S SUPREME PERCH LIMITED**  
**Statements of directors' responsibilities**  
**for the year ended 31st December 2018**


---

The Companies Act 2002 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the operating results for that year. It also requires the directors to ensure that the company maintains proper accounting records which disclose, with reasonable accuracy, the financial position of the company. The directors are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company as at 31 December 2018 and of its operating results for the period then ended. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control.


Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement.

Approved by the board of directors on ..... and signed on its behalf by:

  
Saju Thankappa

Date: **21 JUN 2019**



  
Smitha Saju

**M/S SUPREME PERCH LIMITED**  
**Declaration by the Head of Finance**  
**for the year ended 31st December 2018**

---

**Declaration of the Head of Finance / Accounting of**  
**M/S SUPREME PERCH LIMITED**

---

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors/Governing Body/Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors/Governing Body as under Directors Responsibility statement on an earlier page.

I (Name) DANIEL R. MAJALLA being the Head of Finance/Accounting of M/s Supreme Perch Limited hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31st December 2018 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of **M/s Supreme Perch Limited** as on that date and that they have been prepared based on properly maintained financial records.

Signed: 

Signed by: DANIEL R. MAJALLA

Position: **Financial Controller**

NBAA Membership No.: ACPA 3157

Date: 21 JUN 2019

## **M/S SUPREME PERCH LIMITED**

### **Report of the Independent Auditors**

**for the year ended 31st December 2018**

#### **To the members of M/s. Supreme Perch Limited**

We have audited the accompanying financial statements of Supreme Perch Limited set out hereon, which comprise the statement of financial position as at 31st December, 2018 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes including the Income Tax computation for the period.

#### **Directors' Responsibility for the Financial Statements:**

Directors' are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2002. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud, or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's Responsibility:**

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the audit considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis to our audit opinion.

#### **Emphasis of Matter:**

Without qualifying our opinion, we draw your attention to Note 1 of the financial statements which indicates that the financial statements have been prepared on a going concern basis on the assumption that the continued financial support will be made available to the company by its lenders.

**M/S SUPREME PERCH LIMITED**  
**Report of the Independent Auditors**  
**for the year ended 31st December 2018**

---

**Report on other Legal Requirements:**

This report, including the opinion, has been prepared for, and only for the company's members as a body in accordance with Tanzania Companies Act and for no other purpose.

As required by the Companies Act 2002 we report to you, based on our audit, that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were
- (ii) In our opinion proper books of accounts have been kept by the company, so far as appears from our examination of those books; and
- (iii) The company's statement of financial position and statement of comprehensive income are in agreement with the books of account.



MUKESH RADIA,

FOR: TANNA & CO.,

CERTIFIED PUBLIC ACCOUNTANTS IN PUBLIC PRACTICE

MWANZA, TANZANIA

**22 JUN 2019**

Date: .....


**M/S SUPREME PERCH LIMITED**  
**Statement of Comprehensive Income**  
**for the year ended 31st December 2018**

	NOTES	2018 TZS	2017 TZS
<b>REVENUE</b>			
Sales	2	46,732,162,755	38,856,081,915
Cost of Sales	3	(39,902,919,078)	(31,660,807,734)
Direct Production Expenses	4	(5,280,843,535)	(4,038,567,992)
<b>GROSS PROFIT</b>		<b><u>1,548,400,142</u></b>	<b><u>3,156,706,189</u></b>
Other Operating Income	5	24,507,099	6,062,679
Administration Expenses	6	(815,971,665)	(1,004,779,552)
Selling & Distribution Expenses	7	(3,446,636,856)	(2,355,108,012)
Other Operating Expenses	8	(344,859,171)	(360,699,907)
<b>OPERATING PROFIT / (LOSS)</b>		<b><u>(3,034,560,450)</u></b>	<b><u>(557,818,602)</u></b>
Finance Costs	9	222,788,147	(80,108,408)
<b>PROFIT / (LOSS) BEFORE TAX</b>		<b><u>(2,811,772,303)</u></b>	<b><u>(637,927,011)</u></b>
Current Tax (Charge)	10	-	-
Deferred Tax	21	1,149,553	(4,857,467)
<b>PROFIT/ (LOSS) FOR THE YEAR AFTER TAX</b>		<b><u>(2,810,622,750)</u></b>	<b><u>(642,784,478)</u></b>

M/S SUPREME PERCH LIMITED  
Statement of Financial Position  
as at 31st December 2018

	Notes	2018 TZS	2017 TZS
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, Plant, Equipments	12	182,609,869	186,904,395
		<u>182,609,869</u>	<u>186,904,395</u>
<b>CURRENT ASSETS</b>			
Inventories	13	5,762,336,274	4,537,727,716
Trade & Other Receivables	14	7,676,737,751	(2,322,306,193)
Cash & Cash Equivalents	15	378,142,448	1,349,931,491
		<u>13,817,216,473</u>	<u>3,565,353,014</u>
<b>TOTAL ASSETS</b>		<u><u>13,999,826,342</u></u>	<u><u>3,752,257,410</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDER'S EQUITY</b>			
Share capital	16	100,000,000	100,000,000
Retained earnings	11	(3,453,407,227)	(642,784,478)
Total equity		<u>(3,353,407,227)</u>	<u>(542,784,478)</u>
<b>NON CURRENT LIABILITIES</b>			
Borrowings	17	16,497,032,041	4,332,107,029
Deferred Tax	21	3,707,914	4,857,467
		<u>16,500,739,955</u>	<u>4,336,964,496</u>
<b>CURRENT LIABILITIES</b>			
Trade & Other Payables	18	966,493,615	48,077,391
Taxation	10	(114,000,000)	(90,000,000)
		<u>852,493,615</u>	<u>(41,922,609)</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>13,999,826,342</u></u>	<u><u>3,752,257,410</u></u>

The financial statements on pages 8 to 28 were approved by Board of Directors and signed on its behalf by:

  
Saju Thankappan  
Director

Date: .....

**21 JUN 2019**



  
Smitha Saju  
Director

**M/S SUPREME PERCH LIMITED**  
**Statement of Changes in Equity**  
**for the year ended 31st December 2018**


	Share Capital TZS	Retained Earnings TZS	Total TZS
<b>Year ended 31st December 2017</b>			
At start of year	100,000,000	-	100,000,000
Changes in the year		(642,784,478)	(642,784,478)
At end of year	100,000,000	(642,784,478)	(542,784,478)
<b>Year ended 31st December 2018</b>			
At start of year	100,000,000	(642,784,478)	(542,784,478)
Changes in the year		(2,810,622,750)	(2,810,622,750)
<b>Balance at 31st December 2018</b>	<b>100,000,000</b>	<b>(3,453,407,227)</b>	<b>(3,353,407,227)</b>

The significant policies on pages 12 to 17 and the notes on pages 18 to 27 form an integral part of these financial statements.

Report of the independent auditors are on Pages 6 and 7.

  
 Saju Thankappan  
 Director



  
 Smitha Saju  
 Director

**21 JUN 2019**

M/S SUPREME PERCH LIMITED  
Statement of Cash Flows  
for the year ended 31st December 2018

	Notes	2018 TZS	2017 TZS
<b>Cash flows from operating activities</b>			
Cash (used in)/generated from operations	20	(12,971,700,154)	(2,745,210,878)
Advance Tax Paid	10	(24,000,000)	(90,000,000)
<b>Net cash (used in)/generated from operating activities</b>		<b>(12,995,700,154)</b>	<b>(2,835,210,878)</b>
<b>Cash flows From investing activities</b>			
Purchase of property plant and equipment	12	(42,531,223)	(212,541,635)
Proceeds from disposal of property, plant and equipment	12		
<b>Net Cash used in investing activities</b>		<b>(42,531,223)</b>	<b>(212,541,635)</b>
<b>Cash Flows from financing activities</b>			
Cash flows from Share Capital Issued	16		100,000,000
Cash flows and Movements in Borrowings	17	12,164,925,012	4,332,107,029
<b>Net Cash used in financing Activities</b>		<b>12,164,925,012</b>	<b>4,432,107,029</b>
		<b>(873,306,365)</b>	<b>1,384,354,517</b>
<b>(Decrease) / Increase in cash and cash equivalents</b>			
<b>Movement in cash and cash equivalents</b>			
At start of year		1,349,931,491	
(Decrease) / Increase in cash and cash equivalents		(873,306,365)	1,384,354,516
Effect of exchange rate changes (Note 5 / Note 9)		(98,482,678)	(34,423,025)
<b>At end of year</b>	15	<b>378,142,448</b>	<b>1,349,931,491</b>

**Cash and Cash Equivalents**

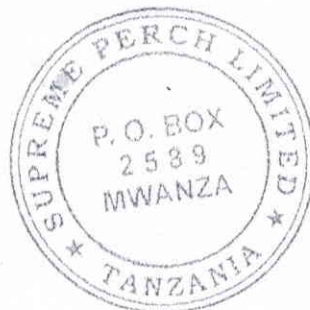
For the purpose of the statement of cash flow, the year end cash and cash equivalents comprise:

Cash and Bank balances	15	378,142,448	1,349,931,491
		<b>378,142,448</b>	<b>1,349,931,491</b>

Saju Thankappan  
Director

Smitha Saju  
Director

**2.1 JUN 2019'**



## 1 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

### (a) Basis of Preparation

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board. The financial statements have been prepared under the historical cost convention except where otherwise stated in the accounting policies below. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Changes in assumptions may have a significant impact on financial statements in the period the assumptions changed. The directors believe that the underlying assumptions are appropriate and that the company's financial statements therefore present the financial position fairly. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Notes.

### Changes in accounting policy and disclosures

#### (i) Amended standards which become effective during the year

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on 1 January 2018 that would be expected to have a material impact on the Company.

(ii) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the company.

### IFRS 15 – Revenue from Contracts with Customers

IFRS 15 'Revenue from Contracts with Customers' applies to revenue from contracts with customers and replaces all of the revenue standards and interpretations in IFRS. The standard outlines the principles an entity must apply to measure and recognise revenue and the related cash flows.

IFRS 15 is not expected to have a significant impact on the primary statements and on systems and processes.

### IFRS 16 – Leases

IFRS 16 'Leases' will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance the leased item) and a financial liability to pay rentals are recognised.

IFRS 16 is not expected to have a significant impact on the primary statements and on systems and processes.

**(b) Current versus non-current classification**

The company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least 12 months after reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**(c) Fair value measurement**

The Company measures financial instruments and non-financial assets, at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**(d) Critical Accounting Estimates, Judgments and Assumptions**

In the process of applying the company's accounting policies, the company's management makes certain estimates, judgments and assumptions. These are based on the management's past experience and other determinants that under the circumstances are deemed to be reasonable. In practice, the estimated and assumed results would differ from the actual results.

**(e) Revenue Recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and/or performance of services, in the ordinary course of business and is stated net of Value Added Tax (VAT), rebates and discounts.

The company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the specific criteria have been met for the company's activities as described below. The amount of revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved. The company bases its estimates on historical results, taking into consideration the type of customer, type of transaction and specifics of each arrangement.

- (i) Sales of Goods are recognized upon delivery of products, and customer acceptance.
- (ii) Revenue from Transport and Distribution is recognized upon completion of service, and customer acceptance.

**(f) Translation of foreign currencies**

Transactions in foreign currencies during the year are converted into Tanzania Shillings (functional currency), at rates ruling at the transaction dates. Monetary assets and liabilities at the statement of financial position date which are expressed in foreign currencies are translated into Tanzania Shillings at rates ruling at that date. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. The resulting differences from conversion and translation are dealt with in the statement of comprehensive income in the year in which they arise.

**(g) Property, Plant and Equipment**

***Recognition and Measurement***

All Property, Plant and Equipment is initially recorded at cost and thereafter stated at historical cost less depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use. Buildings are subsequently shown at market value, based on periodic, but at least triennial valuations by external independent values, less subsequent depreciation. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Where an item of property, plant and equipment comprises significant components with different useful lives, the components are accounted for as separate items of plant and equipment.

***Subsequent Costs and Major Repairs***

Subsequent costs are included in the asset's carrying amount or recognized as a separated asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be reliably measured. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred. Increases in the carrying amount arising on revaluation are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against the revaluation reserve, all other decreases are charged to the statement of comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the statement of comprehensive income) and depreciation based on the asset's original cost is transferred from the retained earnings to revaluation reserve.

***Depreciation***

Depreciation on all other assets is calculated on the reducing balance method to write down the cost of each asset, or the revalued amount, to its residual value over its estimated useful life using the following annual rates:

	<b>Rate</b>
Plant and Machinery	12.50%
Commercial Motor Vehicles	25.00%
Computer Equipment and Allied Assets	37.50%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

***Gains and Losses***

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determined operating profit. On disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to retained earnings.

***Allowance for slow moving, damaged and obsolete inventory***

The Company reviews its inventory to assess loss on account of obsolescence on a regular basis. In determining whether provision for obsolescence should be recorded in profit or loss, the Company makes judgements as to whether there is any observable data indicating that there is any future saleability of the product and the net realizable value for such product. Accordingly, provision for obsolescence is made where the net realizable value is less than cost based on best estimates by the management, ageing of inventories and historical movement of the inventory.

**M/S SUPREME PERCH LIMITED**

**Annual Report and Financial Statements for the year ended 31st December, 2018**

**Notes to the Financial Statements - Significant Accounting Policies (continued)**

---

**(h) Financial Instruments**

**- Financial Assets:**

The company's financial assets which include trade and other receivables, cash and cash equivalents and tax recoverable.

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Loan and receivables are carried at amortized cost using the effective interest rate method.

A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. Impairment of financial assets is recognized in the statement of comprehensive income under administrative expenses original terms of the contract. Significant financial difficulties of the issuer, probability that the issuer will enter bankruptcy or financial reorganization, default in payments and a prolonged decline in fair value of the asset are considered indicators that the asset is impaired.

The amount of the impairment loss is calculated as the difference between the assets carrying amount and the present values of expected future cash flows, discounted at the financial instrument's effective interest rate. Subsequent recoveries of amounts previously written off/impaired are credited to the income statement of comprehensive income/statement of changes in equity in the year in which they occur.

Gains and Losses on disposal of assets whose changes in fair value were initially recognized in the statement of comprehensive income are determined by reference to their carrying amount or taken into account in determining operating (loss)/profit. On disposal of assets whose changes in fair value were initially recognized in equity, the gains/losses are recognized in the reserve, where fair values were initially recognized. Any resultant surplus/deficit after the transfer of the gains/losses are transferred to retained earnings.

Management classifies Financial Assets as follows:- Trade and other receivables, cash and balances with financial institutions and tax recoverable are classified as loans and receivables.

**- Financial Liabilities:**

The company's financial liabilities which include borrowings and trade and other payables are classified into the following category.

**- Financial Liabilities measured at Amortized Cost:-**

These include borrowings and trade and other payables. These are initially measured at fair value and subsequently measured at amortized costs, using the effective interest rate method. Borrowings are initially recognized at fair value, net of transaction costs incurred and are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized as interest expense in the statement of comprehensive income under finance costs. Fees associated with the acquisition of borrowing facilities are recognized as transaction costs of the borrowing to the extent that it is probable that some or all of the facilities will be acquired. All financial liabilities are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date. Financial liabilities are derecognized when, and only when, the company's obligations are discharged, cancelled or expired.

**Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**(i) Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost is determined by the first in first out (FIFO) method and comprises of all costs attributable to bring the inventory to its present location and condition. The Cost of finished goods comprise raw materials, direct labor, other direct costs and related production overheads, but excludes borrowing costs. Net realizable value is the estimate of the selling price in the ordinary course of business less the costs of completion and selling expenses.

**(j) Cash and Cash Equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and at bank, net of bank overdrafts. In the statement of financial position, bank overdrafts are included within borrowings in current liabilities.

**(k) Taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognized in the statement of comprehensive income. Except to the extent that it relates to items recognized in equity. In this case the tax is also recognized in equity.

**Current Tax:**

Current Tax is provided on the results for the period, adjusted in accordance with tax legislation.

**Deferred Tax:**

Deferred Tax is provided using the liability method for all temporary timing 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 tax. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which temporary timing differences can be utilized.

**(l) Employee Entitlements**

Employee entitlements to leave are recognized when they accrue to employees. A provision is made for the estimated liability for such entitlements as a result of services rendered by employees up to the statement of financial position. The estimated monetary liability for employee's accrued annual leave entitlement at the statement of financial position date is recognized as an expense accrual.

**(m) Retirement Benefit Obligations**

The company and its employees contribute to the National Social Security Fund (NSSF) and Parestatal Pension Fund (PPF) statutory defined contribution schemes registered in Tanzania. The company's contributions to the defined contribution schemes are charged to the statement of comprehensive income in the year to which they

**(n) Share Capital**

Ordinary shares are classified as equity.

**(o) Comparatives**

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current

**(p) Basis of preparing the financial statements**

At the statement of financial position date, current liabilities exceeded current assets by : (TZS 12,964,722,859)  
The company meets its day to day working capital requirements through advances from customers and borrowings from financiers, bankers, and directors.

The financial statements have been prepared on a going concern basis which assumes that the company will be in operational existence for the foreseeable future. The validity of this assumption depends on its lenders continuing their support by providing adequate funding and credit facilities.

**1.2 RISK MANAGEMENT OBJECTIVE AND POLICIES**

**Financial Risk Management**

The company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk interest rate risk and price risk), credit risk and liquidity risk.

The company's overall risk management programme focuses on the unpredictability of financial markets and seek to minimize potential adverse effects on the company's financial performance.

Risk management is carried out by the board of directors. It identifies, evaluates and hedges financial risks in close co-operation with various staff in the organization.

The Company's principal financial liabilities comprise bank loans, others loans, overdrafts, finance leases and trade and other payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade and other receivables and cash which arise directly from their operations.

M/S SUPREME PERCH LIMITED

Annual Report and Financial Statements for the year ended 31st December, 2018

Notes to the Financial Statements - Significant Accounting Policies (*continued*)

(a) Market Risk

**Interest Rate Risk**

The company has no interest bearing assets or liabilities and as a result its cashflow are substantially independent of changes in market interest rates.

**Foreign Exchange Risk**

The company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar. The risk arises from future transactions, assets and liabilities in the statement of financial position.

**Foreign currency sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

	Changes on USD Rate	Effect on profit before tax (TZS)
2018	2%	113,811,702

Forex Assets & Liabilities	2018 USD	2018 TZS 000'
<b>Assets</b>		
Sundry Debtors	2,851,710	6,558,932,364
<b>Total Monetary Assets</b>	<b>2,851,710</b>	<b>6,558,932,364</b>
<b>Liabilities</b>		
Sundry Creditors	377,542	868,347,254
<b>Total Monetary Liabilities</b>	<b>377,542</b>	<b>868,347,254</b>
<b>Net Monetary Liabilities</b>	<b>2,474,167</b>	<b>5,690,585,110</b>

**(b) Credit Risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables. Management assesses the credit quality for each customer, taking into account their financial position, past experience and other factors.

**Trade receivables**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and major supplies are against part or full advance payment while in a few cases supplies are covered by letters of credit.

**Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2018 is the carrying amount of bank balances.

**(c) Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market position. Due to the dynamic nature of the underlying businesses, the company's management maintains flexibility in funding by maintaining availability under committed credit lines. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and preference shares when required.

**TZS****At December 31, 2018**

Trade and other payables

Total

	On demand	Less than 3 months	3 to 12 months	1 to 5 years
Trade and other payables	518,634,702	349,712,552	-	-
<b>Total</b>	<b>518,634,702</b>	<b>349,712,552</b>	<b>-</b>	<b>-</b>

**1.3 CAPITAL MANAGEMENT****Internally Imposed Capital Requirements:**

The company's objectives when managing capital are:

- To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.
- To provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.
- To comply with capital requirements set out by the company's lenders.
- To maintain strong asset base to support the development of business, and
- To maintain an optimal capital structure to reduce the cost of capital.

The company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. Consistently with others in the industry, the company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided capital. Net debt is calculated as total debt (as shown in the statement of financial position) less cash and cash equivalents. Capital comprises all components of equity i.e. share capital, retained earnings and revaluation reserve).

	<b>2018</b>	<b>2017</b>
	<b>TZS</b>	<b>TZS</b>
Borrowings	16,497,032,041	4,332,107,029
Trade and other payables	966,493,615	48,077,391
Less: <i>cash at bank and on hand</i>	<i>(378,142,448)</i>	<i>(1,349,931,491)</i>
Net debt	<b>17,085,383,208</b>	<b>3,030,252,929</b>
Equity	<b>(3,353,407,227)</b>	<b>(542,784,478)</b>
Capital and net debt	<b>13,731,975,980</b>	<b>2,487,468,451</b>
<b>Gearing ratio</b>	<b>124%</b>	<b>122%</b>

**1.4 CONTINGENT LIABILITIES**

The company does not have any impending legal actions.

The Company has not provided any guarantees.

In the opinion of management, the company did not have any significant contingent liabilities as at December 31st, 2018

**1.5 COMMITMENTS**

***Capital Commitments***

Capital expenditure contracted for at the statement of financial position date is as follows:

**31st Dec 2018, TZS**

Property, Plant and Equipment	42,531,223
-------------------------------	------------

**1.6 INCORPORATION**

Supreme Perch Limited is incorporated in Tanzania under the Companies Act as private liability.

**1.7 PRESENTATION CURRENCY**

The financial statements are presented in Tanzanian Shillings.

The average rate of exchange for USD to TZS during the period is 1 USD = TZS 2300

**1.8 NUMBER OF EMPLOYEES**

The average number of employees for the period was 350.

**1.9 EVENTS AFTER THE REPORTING DATE**

There were no material events after the reporting date which requires adjustment or additional disclosure in the financial statements.

**M/S SUPREME PERCH LIMITED**

**Annual Report and Financial Statements for the year ended 31st December, 2018**

**Notes to the Financial Statements (continued)**

	Notes	2018 TZS	2017 TZS
<b>2 REVENUE</b>			
Sale of Goods		46,732,162,755	38,856,081,915
		<b>46,732,162,755</b>	<b>38,856,081,915</b>
<b>3 COST OF SALES</b>			
Opening Stock of Raw & Finished Goods		4,537,727,716	-
Purchases		41,127,527,637	36,198,535,450
Less: Closing Stock of Raw & Finished Goods	13	(5,762,336,274)	(4,537,727,716)
		<b>39,902,919,078</b>	<b>31,660,807,734</b>
<b>4 DIRECT PRODUCTION EXPENSES</b>			
Depreciation on Plant and Machinery		11,698,669	10,425,892
Eco Lab Expenses		50,356,250	125,013,600
Factory Expenses		10,760,500	20,065,360
Factory Rent		2,659,046,000	2,232,764,000
Furnace Oil Purchases		-	77,000,000
Import Expenses -		105,190,270	46,460,881
Packing Materials Purchases		809,994,394	713,423,315
Processing Expenses		103,277,271	83,321,824
Vat Not Claimble		373,676,373	-
Utilities Expenses		774,983,421	545,193,707
Wages - Production		381,860,387	184,899,414
		<b>5,280,843,535</b>	<b>4,038,567,992</b>
<b>5 OTHER OPERATING INCOME</b>			
Commission on Fish Landing Fees		-	6,062,679
Miscellaneous Income		1,717,099	-
Insurance Claim		22,790,000	-
Forex Gain		-	-
		<b>24,507,099</b>	<b>6,062,679</b>
<b>6 ADMINISTRATION EXPENSES</b>			
Accountancy Fees		8,000,000	7,500,000
Canteen Expenses		44,809,768	18,575,300
Depreciation - Administration		35,127,081	15,211,349
Employment costs	6 (a)	340,352,157	695,284,188
General Office Expenses		5,597,058	38,168,810
Hiring Charges		600,000	450,000
Insurance		130,314,637	93,381,085
License, Fees, Permits & Levies		81,512,747	34,165,678
Fines & Penalties		24,258,727	-
Postage & Telephones		13,502,314	9,023,034
Printing & Stationery		13,191,777	13,105,308
Professional, Legal and Secretarial Fees		12,054,000	9,675,000
Security Expenses		96,910,000	69,659,800
Subscription & Fees		9,741,400	580,000
		<b>815,971,665</b>	<b>1,004,779,552</b>

M/S SUPREME PERCH LIMITED

Annual Report and Financial Statements for the year ended 31st December, 2018

Notes to the Financial Statements (continued)

	Notes	2018 TZS	2017 TZS
<b>6 (a) Employment Expenses</b>			
Directors Remuneration		18,214,800	10,625,300
Medical Expenses		7,929,690	8,194,900
NSSF Contribution		48,444,193	41,245,514
PPF Contribution		7,851,062	8,787,230
Salaries & Wages - Administration		210,554,018	533,149,314
Skills & Development levy		27,708,295	6,359,847
Staff Welfare		1,800,000	36,104,980
Training Expenses		4,215,000	1,170,000
Visas and Permits		9,095,991	46,947,155
Workers Compensation Fund		4,539,108	2,699,948
		<u>340,352,157</u>	<u>695,284,188</u>
<b>7 SELLING AND DISTRIBUTION OVERHEADS</b>			
Freight, C&F & Export Charges		1,646,668,232	1,213,472,149
Fuel Expenses		309,653,109	332,120,732
M/Vehicle Running Expenses		85,866,087	4,038,500
Royalty on Exports		1,358,058,130	774,075,872
Travelling & Hotel Expenses		46,391,298	31,400,759
		<u>3,446,636,856</u>	<u>2,355,108,012</u>
<b>8 OTHER OPERATING EXPENSES</b>			
Discount allowed		472,800	45,057,824
Donation & Charity		-	1,259,000
Repairs & Maintenance		190,897,570	224,874,609
Service Levy		153,488,801	89,508,474
		<u>344,859,171</u>	<u>360,699,907</u>
<b>9 FINANCE COST</b>			
Bank Charges and Commission		98,482,678	34,423,025
Forex gain/ Loss		(321,270,826)	45,685,383
		<u>(222,788,147)</u>	<u>80,108,408</u>
<b>10 TAXATION</b>			
Balance at beginning of the year		(90,000,000)	-
Current Income Tax Charge		-	-
Current Income Tax Charge - Prior periods		-	-
Less: Provisional Tax Paid		24,000,000	(90,000,000)
<b>Balance at end of the period</b>		<u>(114,000,000)</u>	<u>(90,000,000)</u>
<b>11 RETAINED EARNINGS</b>			
At start of year		-	-
Current Profit / (Loss)		(2,810,622,750)	(642,784,478)
Adjustments		-	-
<b>At end of Year</b>		<u>(2,810,622,750)</u>	<u>(642,784,478)</u>

## 12 PROPERTY, PLANT, AND EQUIPMENT (TZS)

	Computer & Equipments	Plant & Machinery	Motor Vehicles	Total
	TZS	TZS	TZS	TZS
<b>Year ended 31 December 2018</b>				
<b>Cost</b>				
At the start of the year	13,562,337	104,015,240	94,964,058	212,541,635
	-	-	42,531,223	42,531,223
<b>As at 31st December 2018</b>	<b>13,562,337</b>	<b>104,015,240</b>	<b>137,495,281</b>	<b>255,072,858</b>
<b>Depreciation</b>				
At start of the year	4,238,230	10,425,892	10,973,119	25,637,241
Charge for the year	3,496,540	11,698,669	31,630,541	46,825,749
<b>As at 31st December 2018</b>	<b>7,734,770</b>	<b>22,124,561</b>	<b>42,603,660</b>	<b>72,462,990</b>
<b>Net book value</b>				
<b>As at 31st December 2018</b>	<b>5,827,567</b>	<b>81,890,680</b>	<b>94,891,622</b>	<b>182,609,868.54</b>
<b>As at 31st December 2017</b>	<b>9,324,107</b>	<b>93,589,348</b>	<b>83,990,939</b>	<b>186,904,394</b>

Depreciation has been calculated as per the time the asset was put into use, during the year of operation.

In the directors opinion, there is no impairment of Property plant and equipment.

**M/S SUPREME PERCH LIMITED**

**Annual Report and Financial Statements for the year ended 31st December, 2018**

**Notes to the Financial Statements (continued)**

	Notes	2018 TZS	2017 TZS
<b>13 INVENTORIES</b>			
Closing stock of Finished Goods		5,762,336,274	3,570,992,963
Closing stock of Raw Materials		-	966,734,753
		<u>5,762,336,274</u>	<u>4,537,727,716</u>
<b>14 TRADE AND OTHER RECEIVABLES</b>			
Trade Receivables		6,559,144,826	(2,966,367,195)
Less: Impairment provision		-	-
		<u>6,559,144,826</u>	<u>(2,966,367,195)</u>
VAT Recoverable		1,111,805,387	638,061,002
Loans and Advances		6,000,000	6,000,000
		<u>7,676,950,212</u>	<u>(2,322,306,193)</u>

Trade receivables are non-interest bearing and are generally on 30 days' terms.  
The company may receive advance payments from export sales.

a) As at December 31, the ageing analysis of trade receivables is as follows:

	TOTAL	Neither past due nor impaired	Past due but not impaired			
			< 30 Days	30-60 Days	60-90 Days	> 120 Days
<b>2018</b>	6,559,144,826	-	3,012,095,489	3,547,049,336	-	-

**Other receivables**

Other receivables and prepayments do not bear any interest and are neither past due nor impaired. No collaterals are held of these receivables

**15 CASH AND CASH EQUIVALENTS**

For the purposes of the cash flow statement, cash and cash equivalents comprise of cash in hand and cash at bank. The year-end cash equivalents comprise the following:

Cash in Hand	42,851,091	61,201,785
Cash at Bank	335,291,357	1,288,729,706
	<u>378,142,448</u>	<u>1,349,931,491</u>

M/S SUPREME PERCH LIMITED

Annual Report and Financial Statements for the year ended 31st December, 2018

Notes to the Financial Statements (continued)

Notes	2018 TZS	2017 TZS
<b>16 SHARE CAPITAL</b>		
<i>Authorised:</i>		
1,000 Shares of TZS1,000,000/- each	<u>1,000,000,000</u>	<u>1,000,000,000</u>
<i>Issued &amp; fully paid up:</i>		
100 Shares of TZS 1,000,000/- each	<u>100,000,000</u>	<u>100,000,000</u>
<b>17 BORROWINGS</b>		
<i>Unsecured Borrowings</i>		
Loan from Shareholder	<u>15,458,148,029</u>	<u>4,332,107,029</u>
	<u>15,458,148,029</u>	<u>4,332,107,029</u>
<b>Secured Loans</b>		
Stanbic Loan	1,038,884,012	-
	<u>1,038,884,012</u>	-
	<u>16,497,032,041</u>	<u>4,332,107,029</u>

These loans (to) / from shareholders are interest free, unsecured and long-term in nature, without any fixed repayment period. This loans are receivable / payable in the currency in which it is obtained / advanced.

**18 TRADE AND OTHER PAYABLES**

Trade Payables	868,347,254	3,573,939
Accruals	98,146,360	44,503,452
	<u>966,493,615</u>	<u>48,077,391</u>

**19 RELATED PARTY TRANSACTIONS DISCLOSURES**

The following table provides the total amount of transactions which have been entered into with related parties for the relevant financial year:

	2018 Group Companies TZS	2018 Related Entities TZS	2018 Directors TZS
Purchases	-	-	-
Sales	-	-	-
Amount Owed To	-	-	-
Amount Owed By	-	-	-
Remuneration	-	-	18,214,800

**20 CASH (USED IN) / GENERATED FROM OPERATIONS**

Reconciliation of (loss) / profit before tax to cash (used in) / generated from operations

(Loss) / Profit before Tax	(2,811,772,303)
<b>Adjustments for:</b>	
Depreciation of property, plant and equipment (Note 12)	46,825,749
Prior year Tax and Adjustments (Note 10)	-
Net forex exchange gain (Note 5 / Note 9)	98,482,678
Changes in working capital:	
- inventories (Note 13)	(1,224,608,558)
- trade and other receivables (Note 14)	(9,999,043,944)
- trade and other payables (Note 18)	918,416,224
Cash (used in) / generated from operations	<u>(12,971,700,154)</u>

**M/S SUPREME PERCH LIMITED**

Annual Report and Financial Statements for the year ended 31st December, 2018

**Notes to the Financial Statements (continued)**

**21 DEFERRED TAX ASSETS/(LIABILITIES)**

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss.

Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred income tax at December 31, relates to the following:

	Statement of financial position	Movement
	2018 TZS	2018 TZS '000
<b>Deferred tax liabilities</b>		
Accelerated depreciation for tax purposes	3,707,914	(1,149,553)
<b>Deferred tax assets</b>		
Employee benefit liability	-	-
Unrealised exchange loss	-	-
Losses available for offset against future taxable	-	-
	-	-
<b>Deferred income tax expense</b>		<b>(1,149,553)</b>
<b>Net deferred tax liabilities</b>	<b>3,707,914</b>	

Reflected in the Statement of Financial Position as follows:

Deferred tax assets	-
Deferred tax liabilities	3,707,914
	<u>3,707,914</u>

Movement recognised as follows:

In Statement of Comprehensive Income	<u>(1,149,553)</u>
--------------------------------------	--------------------