

**SAKUMA EXPORTS PTE. LTD.**  
**(Incorporated in the Republic of Singapore)**  
**Reg. No: 201302691Z**

**AUDITED FINANCIAL STATEMENTS - 31 MARCH 2019**

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**SAKUMA EXPORTS PTE. LTD.**  
(Incorporated in the Republic of Singapore)

**DIRECTORS' STATEMENT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

The directors are pleased to present their statement to the member together with the audited financial statements of Sakuma Exports Pte. Ltd. (the Company) for financial the year ended 31 March 2019.

**Opinion of the directors**

In the opinion of the directors,

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and the financial performance, changes in equity and cash flows of the Company for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

**Directors**

The directors of the Company in office at the date of this report are:-

**Singal Manish**  
**Iyer Subramaniam Venkatraman**  
**Meeshal Agarwal**

**Arrangements to enable directors to acquire shares or debentures**

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

**Directors' interest in shares or debentures**

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below:

Name of directors	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Shares in immediate and ultimate holding company Sakuma Exports Limited, India Shares Rs:1 each (2018: Rs: 10/-each)				
Malhotra Saurabh (Resigned on 10 April 2018)	3,228,341	-	5,678,119*	-
Singal Manish	100,000	1,668,760	-	-

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**DIRECTORS' STATEMENT (CONTINUED)**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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**Directors' interest in shares or debentures cont'd....**

\*Held by director's immediate family members.

Mr. Malhotra Saurabh, who by virtue of his interest is not less than 20% of the issued capital of the holding company, is deemed to have an interest in the whole share capital of the Company at the beginning of the financial year.

**Share options**

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

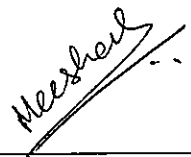
There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.


There were no unissued shares of the Company under option at the end of the financial year

**Auditors**

MGI N Rajan Associates has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

  
\_\_\_\_\_  
**Meeshal Agarwal**  
Director

  
\_\_\_\_\_  
**Iyer Subramaniam Venkatraman**  
Director

Date: **16 MAY 2019**

**INDEPENDENT AUDITOR'S REPORT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SAKUMA EXPORTS PTE. LTD.

**Report on the Audit of the Financial Statements**

*Opinion*

We have audited the financial statements of Sakuma Exports Pte. Ltd. (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

*Basis for Opinion*

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). 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 Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other Information*

Management is responsible for the other information. The other information comprises the Directors' Statement [set out on pages 2 to 3].

Our opinion on the financial statements does not cover the other information and 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, 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.

*Responsibilities of Management and Directors for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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*Responsibilities of Management and Directors for the Financial Statements cont'd...*

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

The directors' responsibilities include overseeing the Company's financial reporting process.

*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 assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

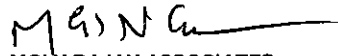
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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**Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



**MGI N RAJAN ASSOCIATES**  
**PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS**

Singapore

Date: **16 MAY 2019**

**SAKUMA EXPORTS PTE. LTD.**  
(Incorporated in the Republic of Singapore)

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2019**

	Note	2019 US\$	2018 US\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in subsidiary	9	-	-
Advance for investment	10	1,500	1,500
		<u>1,500</u>	<u>1,500</u>
<b>Current assets</b>			
Cash and cash equivalents	11	143,322	5,299,175
Trade and other receivables	12	5,797,977	17,572,804
		<u>5,941,299</u>	<u>22,871,979</u>
<b>Total assets</b>		<u>5,942,799</u>	<u>22,873,479</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	13	470,528	20,672,000
Provision for taxation	8	52,036	117,510
<b>Total liabilities</b>		<u>522,564</u>	<u>20,789,510</u>
<b>Net Assets</b>		<u>5,420,235</u>	<u>2,083,969</u>
<b>EQUITY</b>			
Share capital	14	3,165,004	165,000
Retained earnings		2,255,231	1,918,969
<b>Equity attributable to owners of the Company</b>		<u>5,420,235</u>	<u>2,083,969</u>

*(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)*

**SAKUMA EXPORTS PTE. LTD.**  
(Incorporated in the Republic of Singapore)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

	Note	2019 US\$	2018 US\$
Sales	4	94,122,728	169,360,764
Cost of sales	5	(93,107,958)	(167,152,678)
<b>Gross profit</b>		<b>1,014,770</b>	<b>2,208,086</b>
Other income	6	295,709	5,989
		<b>1,310,479</b>	<b>2,214,075</b>
<b>Expenses</b>			
Administrative and other operating expenses		(924,176)	(1,375,032)
<b>Profit before tax</b>	7	<b>386,303</b>	<b>839,043</b>
Income tax expense	8	(50,041)	(112,487)
<b>Profit for the year, representing total comprehensive income for the year</b>		<b>336,262</b>	<b>726,556</b>

*(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)*



**SAKUMA EXPORTS PTE. LTD.**  
(Incorporated in the Republic of Singapore)

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

	Share capital US\$	Retained earnings US\$	Total US\$
At 31 March 2017	165,000	1,192,413	1,357,413
Effect of adoption of FRS 109 and FRS 115	-	-	-
At 1 April 2017	165,000	1,192,413	1,357,413
Profit for the year, representing total comprehensive income for the year	-	726,556	726,556
At 31 March 2018 and 1 April 2018	165,000	1,918,969	2,083,969
Issuance of shares (Note 14)	3,000,004	-	3,000,004
Profit for the year, representing total comprehensive income for the year	-	336,262	336,262
At 31 March 2019	3,165,004	2,255,231	5,420,235

*(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)*

**SAKUMA EXPORTS PTE. LTD.**  
(Incorporated in the Republic of Singapore)

**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

	Note	2019 US\$	2018 US\$
<b>Cash flows from operating activities</b>			
Profit before tax		386,303	839,043
<b>Adjustment for</b>			
Exchange difference on tax	8	(4,476)	2,152
		<u>381,827</u>	<u>841,195</u>
Changes in working capital:			
Trade and other receivables		11,774,827	8,220,138
Trade and other payables		(20,201,472)	(3,755,890)
<b>Cash (used in)/generated from operations</b>		<u>(8,044,818)</u>	<u>5,305,443</u>
Income tax paid	8	(111,039)	(105,470)
<b>Net cash flows (used in)/from operating activities</b>		<u>(8,155,857)</u>	<u>5,199,973</u>
<b>Cash flows from financing activities</b>			
Issuance ordinary of shares during the year	14	3,000,004	-
<b>Net cash flows from financing activities</b>		<u>3,000,004</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents		(5,155,853)	5,199,973
Cash and cash equivalents at beginning of the year		5,299,175	99,202
<b>Cash and cash equivalents at end of the year</b>	11	<u>143,322</u>	<u>5,299,175</u>

*(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)*

**SAKUMA EXPORTS PTE. LTD.**  
(Incorporated in the Republic of Singapore)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

*These notes form an integral part of and should be read in conjunction with the accompanying financial statements.*

**1. GENERAL INFORMATION**

Sakuma Exports Pte. Ltd. (the "Company") is incorporated and domiciled in Singapore with its registered office at 10 Jalan Besar, #10-12 Sim Lim Tower, Singapore 208787.

The principal activities of the Company are to carry on the business of general wholesale trade. The Company is trading in maize, sugar, edible oil and other agricultural commodities

The immediate and ultimate holding Company is Sakuma Exports Limited, a company which is incorporated in India.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of preparation**

The financial statements of the Company have been drawn up in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States Dollars (US\$), which is the Company's functional currency.

**2.2 Adoption of new and revised standards**

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for the Company's annual financial periods beginning on 1 April 2018. Except for the adoption of FRS 109 Financial Instruments and FRS 115 Revenue from Contracts with Customers described below. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

**FRS 109 Financial Instruments**

FRS 109 replaces FRS 39 Financial Instruments: Recognition and Measurement for the Company's annual period beginning on 1 April 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Company applied FRS 109 retrospectively, with an initial application date of 1 April 2018. The Company has not restated comparative information which continues to be reported under FRS 39 and the disclosure requirements of FRS 107 Financial Instruments: Disclosures relating to items within the scope of FRS 39. There was no material impact arising from FRS 109 adoption and have no adjustment were made in the opening retained earnings and other component of equity at the date of initial application.

**SAKUMA EXPORTS PTE. LTD.**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....**

**2.2 Adoption of new and revised standards cont'd...**

**(a) Classification and measurement**

Under FRS 109, debt instruments are subsequently measured either at fair value through profit or loss (FVPL), amortised cost or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Company's business model was made as of the date of initial application, 1 January 2018. The assessment of whether contractual cash flows on debt instruments solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of FRS 109 did not have a significant impact to the Company. The Company continued measuring at fair value all financial assets previously held at fair value under FRS 39. The following are the changes in the classification and measurement of the Company's financial assets:

- Trade and other receivables and cash and cash equivalents classified as loans and receivables as at 31 March 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These were classified and measured as debt instruments at amortised cost beginning 1 April 2018.

The Company has not designated any financial liabilities at FVPL. There are no changes in classification and measurement for the Company's financial liabilities.

In summary, upon the adoption of FRS 109, the Company had the following required or elected reclassifications as at 1 April 2018:

		FRS 109 measurement category		
		FVPL	FVOCI	Amortised cost
FRS 39 measurement category	US\$	US\$	US\$	US\$
Loans and receivables				
Trade receivables	17,569,802	-	-	17,569,802
Other receivables	3,002	-	-	3,002
Cash and cash equivalents	5,299,175	-	-	5,299,175
				22,871,979

**Impairment**

The adoption of FRS 109 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing FRS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. FRS 109 requires the Company to recognise an allowance for ECLs for all debt instruments not held at FVPL.

Upon adoption of FRS 109, the Company assessed that there is no material allowance for credit losses required to be made as at 1 April 2018 on the trade and other receivables.

**SAKUMA EXPORTS PTE. LTD.**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....**

**2.2 Adoption of new and revised standards cont'd...**

FRS 115 Revenue from Contracts with Customers

FRS 115 supersedes FRS11, Construction contracts, FRS 18 Revenue and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. FRS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflect the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

FRS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted FRS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1 April 2018.

The cumulative effect of initially applying FRS 115 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings.

The Company assessed that the adoption of FRS 115 did not have a material impact on the Company and have no adjustments were made in the opening balance.

**2.3 Standards issued but not yet effective**

A number of new standards, amendments to standards and interpretations are issued but not yet effective for Company's annual period beginning on 1 April 2018, and have not been applied in preparing these financial statements. The Company does not plan to early adopt these standards.

Description	Effective for annual periods beginning on or after
FRS 116 Leases	01-Jan-19
INT FRS 123 Uncertainty over Income Tax Treatments	01-Jan-19
Amendments to FRS 109 Prepayment Features with Negative Compensation	01-Jan-19
Amendments to FRS 28 Long-Term Interests in Associates and Joint Ventures	01-Jan-19
Annual Improvements to FRSs (March 2018)	01-Jan-19
Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

**SAKUMA EXPORTS PTE. LTD.**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....**

**2.3 Standards issued but not yet effective cont'd...**

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 116 is described below.

**FRS 116 Leases**

FRS 116 requires lessees to recognise most leases on the statement of financial position. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. FRS 116 is effective for the Company's annual period beginning on 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The directors also expect that the adoption of FRS 116 leases will have no material impact on the financial statements in the period beginning of 1 April 2019.

**2.4 Revenue recognition**

These accounting policies are applied on and after the initial application date of FRS 115, 1 April 2018:

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

**a) Sale of goods**

Revenue is recognised at the point in time when the goods are delivered to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied performance obligation ("PO"). Transaction price is the amount of consideration in the contract to which the Company expects to be entitled in exchange for transferring the promised goods. No element of financing is deemed present as the sales are made with a credit term of 30-90 days from invoice date. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

**b) Interest income**

Interest income is recognised on a time proportion basis using the effective interest method.

**SAKUMA EXPORTS PTE. LTD.**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....**

**2.4 Revenue recognition cont'd...**

These accounting policies are applied before the initial application date of FRS 115, 1 April 2018:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

**Sale of goods**

Revenue from sale of goods is recognized upon the transfer of significant risks and rewards of ownership of the goods to the customer. Revenue is not recognized to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs of the possible return of goods.

**2.5 Subsidiaries**

Subsidiaries are entities over which the Company has power to govern the financial and economic policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Investments in the subsidiaries are stated in the financial statements of the Company at cost less impairments losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

The subsidiaries' results have not been consolidated as the subsidiary is dormant and if consolidated, the accompanying financial statements have not been materially affected.

**2.6 Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other asset or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**SAKUMA EXPORTS PTE. LTD.**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....**

**2.6 Impairment of non-financial assets cont'd...**

Impairment losses are recognized in profit or loss

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized previously. Such reversal is recognized in profit or loss.

**2.7 Financial instruments**

These accounting policies are applied on and after the initial application date of FRS 109, 1 January 2018.

**a) Financial assets**

**Initial recognition and measurement**

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

**Subsequent measurement**

*Debt instruments*

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognized in profit or loss when the assets are derecognised or impaired, and through the amortisation process.



**SAKUMA EXPORTS PTE. LTD.**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....**

**2.7 Financial instruments cont'd...**

**a) Financial assets cont'd...**

**De-recognition**

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received (and, where applicable, any cumulative gain or loss that has been recognised in other comprehensive income) is recognised in profit or loss.

**b) Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

**Subsequent measurement**

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

**De recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

**c) Offsetting of financial instruments**

A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when and only when, an entity:

- (a) Currently has a legally enforceable right to set off the recognized amounts, and
- (b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....**

**2.7 Financial instruments cont'd...**

These accounting policies are applied before the initial application date of FRS 109, 1 January 2018.

**a) Financial assets**

**Initial recognition and measurement**

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

**Subsequent measurement**

*Loans and receivables*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables comprise trade and other receivables and cash and cash equivalents.

Cash and cash equivalents comprise cash at banks and deposit with bank.

**De-recognition**

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income is recognised in profit or loss.

**b) Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....**

**2.7 Financial instruments cont'd...**

**b) Financial liabilities cont'd...**

**Subsequent measurement**

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Such financial liabilities comprise due to a related parties and trade and other payables.

**De-recognition**

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

**C) Offsetting of financial instruments**

A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when and only when, an entity:

- (a) Currently has a legally enforceable right to set off the recognized amounts, and
- (b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously

**2.8 Impairment of financial assets**

These accounting policies are applied on and after the initial application date of FRS 109, 1 January 2018:

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....**

**2.8 Impairment of financial assets cont'd...**

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

These accounting policies are applied before the initial application date of FRS 109, 1 January 2018:

**Impairment of financial assets**

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

**Financial assets carried at amortised cost**

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying amount of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency of significant financial difficulties of the debtor and default or significant delay in payments.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....**

**2.8 Impairment of financial assets cont'd...**

**Financial assets carried at amortised cost cont'd...**

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortized cost at the reversal date. The amount of reversal is recognized in profit or loss.

**2.9 Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**2.10 Cash and cash equivalents**

Cash and cash equivalents comprise cash at banks and fixed deposit are subject to an insignificant risk of changes in value.

**2.11 Foreign currency transaction and balances**

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting period are recognised in profit or loss.

**2.12 Taxes**

**a) Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....**

**2.12 Taxes cont'd...**

**a) Current income tax cont'd...**

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**b) Deferred tax**

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 asset is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year 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 end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**C) Sales tax**

Revenues, expenses and assets are recognized net of the amount of sales tax except:

-where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable, and

-Receivables and payables that are stated with the amount of sales tax included.

**2.13 Employee benefits**

**(a) Defined contribution plans**

The Company contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The Company's contributions to CPF are charged to the profit and loss account in the period to which the contributions relate.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....**

**2.13 Employee benefits cont'd...**

*(a) Employee leave entitlements*

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

**2.14 Related party**

A related party is defined as follows:

A) A person or a close member of that person's family is related to the Company if that person;

- (i) Has control or joint over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Company or of parent of the Company.

b) An entity is related to the Company if any of the following conditions applies:

- (i) The entity and the Company are members of the same Company (which means that each parent, subsidiary and fellow subsidiary is related to the others)
- (ii) One entity is an associate or joint venture of the other entity
- (iii) Both entities are joint ventures of the same party
- (iv) One entity is a joint venture of a third party and other entity is an associate of the third party.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or a or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (vi) The entity is controlled or joint controlled by a person identified in (a)
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

**2.15 Share capital**

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

**2.16 Operating leases**

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

**2.17 Borrowing costs**

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

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**3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

**3.1 Judgements made in applying accounting policies**

**Determination of functional currency**

In determining the functional currency of the Company, judgment is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

**3.2 Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**Provision for expected credit losses of trade and other receivables**

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 17.

The carrying amount of the Company's trade and other receivables as at 31 March 2019 was US\$5,797,977 (2018: US\$17,572,804).



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**4. REVENUE**

Timing of transfer of goods	2019	2018
	US\$	US\$
Sale of goods -at a point in time	94,122,728	169,360,764
	<u>94,122,728</u>	<u>169,360,764</u>

**5. COST OF SALES**

	2019	2018
	US\$	US\$
Purchase of goods	92,582,184	166,977,386
Freight and demurrage charges	525,774	175,292
	<u>93,107,958</u>	<u>167,152,678</u>

**6. OTHER INCOME**

	2019	2018
	US\$	US\$
Trade dispute claim received	295,709	-
Sundry balances written off	-	5,989
	<u>295,709</u>	<u>5,989</u>

**7. PROFIT BEFORE TAX**

Profit before tax has been arrived at after charging:

	2019	2018
	US\$	US\$
Bank charges	313,500	1,227,156
Commission on sales	360,176	-
Director fees	8,000	8,000
Discount on trade	-	(43,900)
Legal expenses	51,375	-
Rental	33,457	36,631
Staff salaries	103,535	107,852

**8. TAX EXPENSE**

The major components of income tax expense recognized in profit or loss for the years ended 31 March 2019 and 2018 were:

	2019	2018
	US\$	US\$
Current year's income tax	52,036	116,281
(Over) provision of income tax in prior years	(1,995)	(3,794)
<b>Income tax expense recognized in profit or loss</b>	<u><b>50,041</b></u>	<u><b>112,487</b></u>

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**8. TAX EXPENSE CONT'D...**

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on Company's profit as a result of the following:

	2019 US\$	2018 US\$
Profit before taxation	386,303	839,043
Singapore statutory rate of 17% (2018:17%)	65,672	142,637
Tax effect on non-deductibles	(784)	713
Partial tax exemption	(12,852)	(19,445)
Tax rebate	-	(7,624)
(Over) provision of tax in prior years	(1,995)	(3,794)
<b>Income tax expense recognized in profit or loss</b>	<b>50,041</b>	<b>112,487</b>

**MOVEMENT IN POVISION FOR TAXATION**

	2019 US\$	2018 US\$
Beginning of financial year	117,510	108,341
(Over) provision of tax in prior year	(1,995)	(3,794)
Tax paid	(111,039)	(105,470)
Current year provision	52,036	116,281
Exchange difference	(4,476)	2,152
<b>End of financial year</b>	<b>52,036</b>	<b>117,510</b>

**9. INVESTMENT IN SUBSIDIARY**

	2019 US\$	2018 US\$
Unquoted equity shares at cost	-	-
	-	-

The nominal investment cost of US\$ 10 is still payable at the reporting date.

Since the date of incorporation the subsidiary has not started their operations.

The details of the subsidiary are as follows:

Name of the subsidiary	Principal activities	Country of incorporation	Effective percentage of equity held	
			2019	2018
			%	%
Sakuma Exports Canada Ltd	Agro commodities-pulses products	Canada	100	100

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**10. ADVANCE FOR INVESTMENT**

The Company has paid US\$ 1,500 (2018: US\$ 1,500) to Sakuma Exports Tanzania Pvt Ltd towards share application money. The shares have not yet been allotted and the commitment towards the shares subscribed has given in Note 16.

**11. CASH AND CASH EQUIVALENTS**

	2019 US\$	2018 US\$
Cash at banks	143,322	5,229,495
Margin deposit	-	69,680
	<u>143,322</u>	<u>5,299,175</u>

Cash and cash equivalents are denominated in the following currencies:

	2019 US\$	2018 US\$
Singapore dollars	34,135	30,055
United states dollars	109,187	5,269,120
	<u>143,322</u>	<u>5,299,175</u>

**12. TRADE AND OTHER RECEIVABLES**

	2019 US\$	2018 US\$
<b>Trade receivables</b>		
Third parties	4,231,293	17,569,802
<b>Other receivables</b>		
Rental deposits	1,684	3,002
<b>Other current assets</b>		
Advance to trade suppliers (Note 16c)	1,565,000	-
<b>Total trade and other receivables</b>	<u>5,797,977</u>	<u>17,572,804</u>

Trade and other receivables are denominated in the following currencies:

	2019 US\$	2018 US\$
Singapore dollar	1,684	3,002
United states Dollar	5,796,293	17,569,802
	<u>5,797,977</u>	<u>17,572,804</u>

Trade receivables are non-interest bearing and are generally on 30 to 90 days' term.

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**12. TRADE AND OTHER RECEIVABLES CONT'D...**

**Receivables that are past due but not impaired**

The Company has trade receivables amounting to US\$ 2,360,675 (2018: US\$ 9,742,484) that are past due at the reporting date but not impaired. These receivables are unsecured and the analysis of their aging at the reporting date is as follows:-

	2019 US\$	2018 US\$
1-30 days	2,152,675	3,406,375
Above 90 days	208,000	6,336,109
	<b>2,360,675</b>	<b>9,742,484</b>

There were no trade receivables that were impaired as at 31 March 2019 and 2018.

**Expected credit losses**

No movement in allowance for expected credit losses (ECL) of trade receivables has been presented as there is no expected credit loss computed based on lifetime ECL.

The advances to trade suppliers relate to advance payments made to trade suppliers of sugar products for contracts scheduled for the following financial year.

The advances to trade suppliers are made without the trade supplier invoices obtained at the point before the expenses were incurred. The advances to trade suppliers will be reclassified and recognised as purchases of goods upon the receipt of trade supplier invoices.

**Receivables subject to offsetting arrangements**

The Company regularly purchase agro commodities of Sugar and Wheat from two suppliers and during the year sell Soya bean and crude demugged oil to the same customers. Both parties have an arrangement to settle the net amount due to or from each other on a 90 days term basis.

The Company's trade receivables and trade payables those are off-set as follows:

	2019		
	Gross carrying amount before offsetting	Amounts offset	Net amounts in the statement of financial position
Description	US\$	US\$	US\$
Trade receivables	4,610,000	(871,192)	3,738,808
Trade payables	(871,192)	871,192	-

	2018		
	Gross carrying amount before offsetting	Amounts offset	Net amounts in the statement of financial position
Description	US\$	US\$	US\$
Trade receivables	-	-	-
Trade payables	-	-	-

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**13. TRADE AND OTHER PAYABLES**

	2019 US\$	2018 US\$
<b>Trade payables</b>		
Third parties	360,000	18,641,717
<b>Other payables</b>		
Loan from a related company	-	2,000,000
Due to a director	15,813	15,836
Salary payable to director	35,160	-
Accruals	59,555	14,447
	<b>470,528</b>	<b>20,672,000</b>

Trade payables are non-interest bearing. Trade payables are normally settled on 30-90 days terms.

The loan from a related company was unsecured, interest free and was repayable within a year.

The amount due to a director is non-trade in nature, unsecured, interest free and is repayable on demand.

**14. SHARE CAPITAL**

	No. of shares		Amount in US\$	
	2019	2018	2019	2018
Issued and fully paid up ordinary shares				
Beginning of financial year	165,000	165,000	165,000	165,000
Issuance of shares during the year	237,530	-	3,000,004	-
	<b>402,530</b>	<b>165,000</b>	<b>3,165,004</b>	<b>165,000</b>

During the year, the Company has issued 237,530 ordinary shares for cash consideration and increased its paid up capital by a sum of US\$ 3,000,004.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

**15. CAPITAL MANAGEMENT**

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and the net current asset position in order to support its business and maximize shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives policies or processes during the financial year ended 31 March 2019 and 31 March 2018.

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**15. CAPITAL MANAGEMENT CONT'D...**

The Company is not subject to any externally imposed capital requirements. The Company's overall strategy remains unchanged from 2018

	2019 US\$	2018 US\$
Total trade and other payables	470,528	20,672,000
Less: Cash and cash equivalents	(143,322)	(5,299,175)
Net debt	327,206	15,372,825
Total equity	5,420,235	2,083,969
Total capital	5,747,441	17,456,794
 Gearing ratio	 18 times	 1 time

**16. COMMITMENTS**

**a) Capital commitments**

Since financial year ended 31 March 2014, the Company has firm commitments towards subscription of shares in the following companies:

Name of the company	Number of shares subscribed	Value in local currency	Value in US\$	
			2019	2018
Sakuma Exports (Ghana) Limited	600,000	GHC 600,000	110,490	134,424
Sakuma Exports Tanzania Pvt Limited	237	TZS 237,000,000	101,621	104,991
			212,111	239,415

At the reporting date, the Company has paid the payment to Sakuma Exports Tanzania Pvt Limited for share application money amounting to US\$ 1,500 (2018: US\$ 1,500) (note 10).

**b) Operating lease commitments**

The Company leases office and house premises and hire lease on copier under non-cancellable operating lease agreements. These leases have varying terms, escalation clauses and renewal rights.

The future minimum rental payable under non-cancellable operating leases contracted for at the reporting date but not recognized as liabilities, are as follows:

	2019 US\$	2018 US\$
Not later than one year	13,184	28,741
Later than one year but not later than five years	2,712	-
	15,896	28,741

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**16. COMMITMENTS CONT'D...**

Minimum lease payments recognized as an expense in profit or loss for the financial year ended 31 March 2019 amounted to US\$ 34,442 (2018: US\$ 36,631)

**c) Unconditional purchase obligations**

Unrecognised commitments that may give rise to a future outflow of cash. At the reporting date, unconditional purchase obligations, comprising the Company committed to purchasing from a supplier were as follows:

16,800 Metric Tonne of Indian white crystal sugar amounted to US\$ 5,510,400 (2018: Nil)

79,500 Metric Tonne of Indian brown sugar amounted to US\$ 25,805,700 (2018: Nil)

At the reporting date, the Company has paid advance of US\$ 1,565,000 (2018: Nil) which is related to above purchase obligations (Note 12)

**17. FINANCIAL RISK MANAGEMENT**

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk).

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

**Market risk**

**a) Credit risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 90 days or there is significant difficulty of the counterparty.

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**17. FINANCIAL RISK MANAGEMENT CONT'D...**

**a) Credit risk cont'd...**

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30-90 days past due in making contractual payment.

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Company's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >120 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
III	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off



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**17. FINANCIAL RISK MANAGEMENT CONT'D...**

**a) Credit risk cont'd...**

The table below details the credit quality of the Company's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	Note	Category	12-month or lifetime ECL	Gross carrying amount US\$	Loss allowance US\$	Net carrying amount US\$
<b>31 March 2019</b>						
Trade receivables	12	Note 1	Lifetime ECL (simplified)	4,231,293	-	4,231,293
Advance to trade suppliers	12	I	12-month ECL	1,565,000	-	1,565,000
Other receivables	12	I	12-month ECL	1,684	-	1,684
					<hr/>	
					-	
<b>1 April 2018</b>						
Trade receivables	12	Note 1	Lifetime ECL (simplified)	17,569,802	-	17,569,802
Other receivables	12	I	12-month ECL	3,002	-	3,002
					<hr/>	
					-	

**Trade receivables (Note 1)**

For trade receivables, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. The Company has not provided any lifetime expected credit losses ("ECL") for trade receivables as based on the Company's historical trend and forward looking analysis as ECL loss is not material.

The Company believes that all receivables are collectible based on historical payment behaviors and creditworthiness of customers.

**Excessive risk concentration**

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

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**17. FINANCIAL RISK MANAGEMENT CONT'D...**

**a) Credit risk cont'd...**

Exposure of credit risk

The Company has no significant concentration of credit risk other than those balances with three customers comprising 93% (2018: three parties comprising 97%) of trade receivables. The Company has credit policies and procedures in place to minimize and mitigate its credit risk exposure.

Advance to supplier

The Company given advances to security the purchase contracts to a trade supplier amounted to US\$ 1,565,000. The supplier has no history of default and nothing has come to management's attention that this supplier is in financial difficulties. No allowance for impairment is provided as the expected credit loss is assumed to be immaterial.

Cash and cash equivalents

Cash and cash equivalents are held with reputable financial institutions therefore, they are subject to immaterial credit loss.

Other receivables

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

**b) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

At the reporting date, the Company has no interest-bearing financial instruments, hence, is not exposed to any movements in market interest rates.

**c) Foreign currency risk**

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Company operates and sells its products in its functional currency and hence its exposure to movements in foreign currencies exchange rate is insignificant.

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**17. FINANCIAL RISK MANAGEMENT CONT'D...**

**d) Liquidity risk**

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's operations are financed mainly through equity. The directors are satisfied that funds are available to finance the operations of the Company.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

Financial assets	2019		
	Contractual amount/carrying amount	One year or less	Two to five years
	US\$	US\$	US\$
Trade receivables	4,231,293	4,231,293	-
Other receivables	1,684	1,684	-
Cash and cash equivalents	143,322	143,322	-
Total undiscounted financial assets	4,376,299	4,376,299	-
<b>Financial liabilities</b>			
Trade payables	360,000	360,000	-
Due to a director	15,813	15,813	-
Other payables	94,715	94,715	-
Total undiscounted financial liabilities	470,528	470,528	-
Total net undiscounted financial assets	3,905,771	3,905,771	-

Financial assets	2018		
	Contractual amount/carrying amount	One year or less	Two to five years
	US\$	US\$	US\$
Trade receivables	17,569,802	17,569,802	-
Other receivables	3,002	3,002	-
Cash and cash equivalents	5,299,175	5,299,175	-
Total undiscounted financial assets	22,871,979	22,871,979	-
<b>Financial liabilities</b>			
Trade payables	18,641,717	18,641,717	-
Loan from a related company	2,000,000	2,000,000	-
Due to a director	15,836	15,836	-
Other payables	14,447	14,447	-
Total undiscounted financial liabilities	20,672,000	20,672,000	-
Total net undiscounted financial assets	2,199,979	2,199,979	-

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**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

**18. FAIR VALUES**

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, other receivables and other payables (including amount due to a director and loan from a related company):

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Trade receivables and trade payables:

The carrying amounts of these balances approximate their fair values as they are subject to normal trade credit terms.

**19. FINANCIAL INSTRUMENTS BY CATEGORY**

At the reporting date, the aggregate carrying amounts of financial assets and financial liabilities at amortized cost were as follows:

	2019	2018
	US\$	US\$
<b>Financial assets measured at amortised cost</b>		
Trade and other receivables (note 12)	4,232,977	17,572,804
Cash and cash equivalents (note 11)	143,322	5,299,175
<b>Total financial assets measured at amortised cost</b>	<b>4,376,299</b>	<b>22,871,979</b>
 <b>Financial liabilities measured at amortised cost</b>		
Trade and other payables (note 13)	470,528	20,672,000
<b>Total financial liabilities measured at amortised cost</b>	<b>470,528</b>	<b>20,672,000</b>

**20. SIGNIFICANT RELATED PARTY TRANSACTIONS**

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial year.

Nature of transaction	Nature of Relationship	Amount of transaction	
		2019	2018
		US\$	US\$
Sale of goods	Holding company	1,227,000	-
Repayment of loan to a related company	Group's fellow subsidiary	(2,000,000)	(3,088,222)

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**20. SIGNIFICANT RELATED PARTY TRANSACTIONS CONT'D...**

**Compensation of key management personnel**

	<b>2019</b>	<b>2018</b>
	<b>US\$</b>	<b>US\$</b>
Director's salary	57,442	-
Director's fee	8,000	8,000

**21. CONTINGENT ASSET**

During the financial year, the Company filed arbitration against one of its customer of US\$ 291,561. The management is confident that the arbitration will be settled in its favour.

**22. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE**

The financial statements for the financial year ended 31 March 2019 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 16 May 2019.

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*(This does not form part of audited financial statements)*

**DETAILED PROFIT OR LOSS STATEMENT FOR THE FINANCIAL YEAR ENDED  
31 MARCH 2019**

	2019 US\$	2018 US\$
<b>Sale of goods</b>	<b>94,122,728</b>	<b>169,360,764</b>
	<b>94,122,728</b>	<b>169,360,764</b>
<b>Cost of sales</b>		
Purchase of goods	92,582,184	166,977,386
Freight charges	525,031	85,000
Supervision charges	743	-
Demurrage expenses	-	90,292
<b>Total cost of sales</b>	<b>93,107,958</b>	<b>167,152,678</b>
<b>Gross profit</b>	<b>1,014,770</b>	<b>2,208,086</b>
<b>Other income</b>		
Claim rewards –settlement	295,709	-
Sundry balances written off	-	5,989
	<b>295,709</b>	<b>5,989</b>
<b>Expenses</b>		
Audit fees	10,781	9,911
Bank charges	313,500	1,227,156
Commission and brokerage	11,048	2,613
Commission on sales	360,176	-
Courier charges	2,649	601
Discount on trade	-	(43,900)
Director's fees	8,000	8,000
Exchange difference-non-trade	(4,612)	4,197
Electricity charges	944	951
Membership fees	316	-
Lease rental on copier	985	-
Legal expenses	51,375	-
Professional fees	20,856	12,334
Rental	33,457	36,631
Salaries	103,535	107,852
Staff welfare	6,156	1,672
Stamp duty	179	81
Travelling expenses	3,479	1,089
Telephone expenses	1,352	844
Washout charges	-	5,000
<b>Total expenses</b>	<b>924,176</b>	<b>1,375,032</b>
<b>Profit for the year</b>	<b>386,303</b>	<b>839,043</b>