Registered number: 2647739

C. Czarnikow Sugar Futures Limited

Directors' report and financial statements

for the year ended 31 December 2018

Registered office:
Paternoster House
65 St Paul's Churchyard
London
EC4M 8AB

Contents

Directors, advisors and other information

Directors
R Cave
W J Rook
J Randles

Registered Office
Paternoster House
65 St. Paul's Churchyard
London
EC4M 8AB

Auditors
Nexia Smith & Williamson
25 Moorgate
London
EC2R 6AY

Strategic report

The Directors present the Strategic report for C. Czarnikow Sugar Futures Limited (the "Company") for the year ended 31 December 2018.

Principal activities

The Company provides investment advice, investment management advice and introductory brokerage on world sugar markets. All of its activities are regulated by the Financial Conduct Authority. The Company's business continues to be the provision of exchange traded and OTC financial instruments to both its wider group members and a number of external clients.

Business analysis

Profit before taxation has decreased from $815,723 to $711,462 due to a decrease in management charge income. Although profit before taxation has decreased, the Company is still generating a satisfactory profit.

2018 results can be compared to the previous period as follows:

	2018	2017
Gross margin	**98.96%**	99.69%
Operating margin	**42.31%**	43.32%
Current ratio	**31.69:1**	24.77:1

Business focus and outlook

The nature of this business and the services provided to Czarnikow Group Limited ("CGL" or the "Parent Company") are expected to continue in line with current operations.

The Directors consider that the Company's cost base is flexible enough to manage the variable turnover of the Company and we look forward to 2019 with confidence.

Financial risk management

Risk management continues to be a priority for management. Counterparty risk is mitigated through a robust counterparty approval process which is applied at group level.

Principal financial risks

Our operations are exposed to a variety of financial risks. These include the effects of changes in market risk, credit risk, liquidity risk and cash flow interest rate risk which are explained further below.

Given the size of the Company, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The Company considers the risks, and their mitigation, stated below to be relevant to its trading activities.

Market risk

The Company does not take open positions on the market but is exposed to price risk due to the fact that the Company is the manager of funds whose investment management fees will be affected by the change in the net asset value of equity instruments held by the funds.

Credit risk

Appropriate credit checks on potential customers are made before trading and the Board assesses regularly any individual counterparty risk.

Liquidity risk

The Company maintains sufficient funds to meet its commitments.

Cash flow interest rate risk

The Company has interest bearing assets. Interest bearing assets include only cash balances which earn interest at floating rate. The Company does not use derivative financial instruments to manage interest rate costs and as such no hedge accounting is applied. The Directors will revisit the appropriateness of this policy should the Company's operations change in size or nature.

This report was approved by the Board on 22 March 2019.

R Cave
Chief Executive Officer

Directors' report

The Directors submit their Directors' report together with the audited financial statements of the Company for the year ended 31 December 2018.

Future developments

There are no changes expected in the Company's business in the foreseeable future.

Results and dividends

The Company recorded a profit after taxation for the year of $575,325 (2017: $681,208).

During the year no dividend payments were made (2017: $nil).

Directors

The Directors who served during the year and subsequent to the year-end are shown below:

R Cave
W J Rook
J Randles

Directors' indemnities

As at the date of this report, indemnities are in force under which the Company has agreed to indemnify the Directors against claims from third parties in respect of certain liabilities arising out of, or in conjunction with, the execution of their powers, duties and responsibilities as Directors of the Company.

Charitable donations

The Company made charitable donations of $nil (2017: $nil) during the year.

Disclosure of information to the auditors

In the case of each person who was a Director at the time this report was approved:

- so far as that Director was aware there was no relevant available information of which the Company's auditors were unaware; and
- that Director had taken all steps that the Director ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors were aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of S418 of the Companies Act 2006.

Independent auditor

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Nexia Smith & Williamson will therefore continue in office.

Pillar 3 disclosure

Copies of the Company's Pillar 3 disclosures as required by the FCA rules may be obtained publicly at the Company's registered address.

This report was approved by the Board on 22 March 2019.

R Cave
Chief Executive Officer

Directors' responsibilities in respect of the financial statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as applied in accordance with the provisions of the Companies Act 2006.

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRSs as adopted by the European Union subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF C. CZARNIKOW SUGAR FUTURES LIMITED

Opinion
We have audited the financial statements of C. Czarnikow Sugar Futures Limited (the 'company') for the year ended 31 December 2018 which comprise the Statement of profit and loss and other comprehensive income, the Statement of financial position, the Statement in changes in equity, the Statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF C. CZARNIKOW SUGAR FUTURES LIMITED (CONTINUED)

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the Directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Nexia Smith & Williamson

Guy Swarbreck
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

22 March 2019

Statement of profit and loss and other comprehensive income
for the year ended 31 December 2018

	Notes	2018 $	2017 $
Revenue	4	**1,681,495**	1,882,996
Cost of sales		**(17,486)**	(5,916)
Gross profit		**1,664,009**	1,877,080
Administrative expenses	5	**(952,547)**	(1,061,357)
Profit before tax		**711,462**	815,723
Taxation	7	**(136,137)**	(134,515)
Profit for the year and total comprehensive income		**575,325**	681,208

The notes on pages 12 to 19 form an integral part of these financial statements.

All of the Company's operations are classed as continuing and there are no recognised gains or losses, in either year, other than the result for the year.

Statement of financial position
as at 31 December 2018

	Notes	31 December 2018 $	31 December 2017 $
Current assets			
Trade and other receivables	8	**4,385,383**	3,830,622
Cash and cash equivalents	9	**193,297**	190,559
Total assets		**4,578,680**	4,021,181
Current liabilities			
Trade and other payables	11	**15,009**	7,370
Current tax liabilities		**129,483**	154,948
Total liabilities		**144,492**	162,318
Net assets		**4,434,188**	3,858,863
Equity			
Share capital	12	**236,300**	236,300
Retained earnings		**4,197,888**	3,622,563
Total equity		**4,434,188**	3,858,863

The notes on pages 12 to 19 form an integral part of these financial statements.

The financial statements were approved by the Board on 22 March 2019.

R Cave
Chief Executive Officer
Registered number: 2647739

Statement of cash flows
for the year ended 31 December 2018

	Note	2018	2017
		$	$
Net cash generated from operating activities	13	**2,738**	4,620
Net cash generated from investing activities		**-**	-
Net cash generated from financing activities		**-**	-
Net increase in cash and cash equivalents		**2,738**	4,620
Cash and cash equivalents at the beginning of the year		**190,559**	185,939
Cash and cash equivalents at the end of the year		**193,297**	190,559

The notes on pages 12 to 19 form an integral part of these financial statements.

Notes to the financial statements

1. General information

The Company

The Company is a private limited company, limited by shares, incorporated in England and Wales. The address of its registered office is Paternoster House, 65 St Paul's Churchyard, London EC4M 8AB.

C. Czarnikow Sugar Futures Limited (the "Company") is a company incorporated and domiciled in the UK. The Company's immediate parent company is Czarnikow Group Limited (the "Parent Company"). C. Czarnikow Limited, a company registered in the United Kingdom, is the Company's ultimate parent company. Copies of the group financial statements, in which the Company is included, can be obtained from Companies House.

In the opinion of the Directors there is no one ultimate controlling party.

Going concern

The Directors have reviewed the financial position of the Company, including the arrangements with group undertakings, and are satisfied that it remains appropriate to prepare the financial statements on a going concern basis.

2. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with IFRS as adopted by the European Union and, applied in accordance with the provisions of the Companies Act 2006.

The financial statements are prepared in US dollars, being the functional currency of the Company. The exchange rate between US dollars and Sterling at the year end was $1.273:£1 (2017: $1.351:£1).

Changes in accounting policies and disclosures

(a) New and amended Standards and Interpretations adopted by the Company

The Company have adopted "IFRS 9 "Financial instruments" and IFRS 15 "Revenue from contracts with customers" for the first time this period. These new standards required additional disclosures which have provided in note 17.

(b) New and amended Standards and Interpretations mandatory for the first time for the financial year beginning 1 January 2018 but not currently relevant to the Company

The following new and amended Standards and Interpretations are not currently relevant to the Company; however they may have a significant impact in future years:

- IFRIC 22 Foreign currency transactions and advance consideration
- Annual improvements to IFRSs 2014-2017 cycle
- Amendments to IFRS 4: Applying IFRS 9 with IFRS 4

(c) New and amended Standards and Interpretations issued but not effective for the financial year beginning 1 January 2018.

At the date of authorisation of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

- IFRS 16 "Leases" will be effective for the year ending 31 December 2019 onwards. The Company do not expect any impact as no operating leases are currently held by the Company.

Notes to the financial statements ***(continued)***

2. Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Equity comprises the following:

- Share capital represents amounts subscribed for shares at nominal value.
- Retained earnings represents accumulated profits and losses attributable to equity shareholders.

Financial instruments

The Company's financial instruments are classified as follows:

- **Financial assets**

  These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The receivables are included within trade debtors. These are shown at amortised cost using the effective interest rate method where applicable.

  Trade receivables are held in order to collect the contractual cash flows and are initially measured at the transaction price as defined in IFRS 15, as the contracts of the Company do not contain significant financing components. Impairment losses are recognised based on lifetime expected credit losses in profit or loss.

  Other receivables are held in order to collect the contractual cash flows and accordingly are measured at initial recognition at fair value, which ordinarily equates to cost and are subsequently measured at cost less impairment due to their short term nature. A provision for impairment is established based on 12-month expected credit losses unless there has been a significant increase in credit risk when lifetime expected credit losses are recognised. The amount of any provision is recognised in profit or loss.

- **Financial liabilities**

  Financial liabilities at amortised cost include trade payables. Trade payables are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, trade payables are measured at amortised cost using the effective interest method. These are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

Revenue recognition

Revenue arising from the provision of services is recognised when and to the extent that the customer simultaneously receives and consumes the benefits of the Group's performance or the Group does not create an asset with an alternative use but has an enforceable right to payment for performance completed to date as follows:

Commissions receivable

Commissions receivable are commissions relating to introductory brokerage of sugar futures business and are recognised on the trade date. Performance obligations are considered to be satisfied when the trade is executed, transaction price is agreed in advance with the customer and negotiated based on the cost of execution.

Notes to the financial statements *(continued)*

2. Accounting policies (continued)

Revenue recognition (continued)

Management charge income

Management charge income represents fees receivable from the parent company for carrying out activities on its behalf. Revenue is recognised as the services are performed and income is calculated in line with the services agreement.

Foreign currencies

Transactions in foreign currencies are recorded at the rates of exchange prevailing on the dates of the transactions. At each year end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the year end date. Exchange gains and losses on short-term foreign currency borrowings and deposits are included within net interest payable. Exchange differences on all other transactions are taken to operating profit.

Taxation

The tax expense represents the sum of the tax currently payable and any deferred tax.

The current tax charge is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the year end date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle on a net basis.

Segment reporting

The Company does not provide segmental reporting analysis as it would not be of meaningful analysis.

3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the year-end date and the reported amounts of revenues and expenses during the reporting period.

Notes to the financial statements *(continued)*

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

Critical accounting judgements (continued)

For the purpose of recognising revenue, the Directors are required to identify distinct goods or services in contracts and allocate the transaction price to the performance obligations. With reference to the revenue streams of the Company the Directors have made specific judgements as follows:

Commissions receivable

Commissions receivable are considered on a trade by trade basis. The Company acts as an agent and only recognises the net commission income. Revenue is recognised at the point in time when the trade is executed.

Management fee income

The Company acts as principal when carrying out activities on behalf of the parent company and income is recognised in line with the service management agreement in place. Revenue is recognised over the period as the services provided are ongoing. The service management agreement specifies several services which are not considered distinct and hence are treated as one performance obligation.

4. Revenue

An analysis of the Company's revenue is as follows:

	2018	2017
	$	$
Continuing operations		
Brokerage and management fee income	**1,681,495**	1,882,996

5. Operating expenses within profit before tax include the following:

	2018	2017
	$	$
Net foreign exchange gain	**9,926**	16,816

6. Auditor's remuneration and staff costs

Auditor's remuneration of $16,166 (2017: $16,689), staff costs and Directors' emoluments are borne by Czarnikow Group Limited, the Company's immediate parent undertaking.

Notes to the financial statements ***(continued)***

7. Taxation

	2018 $	2017 $
Current tax		
The tax charge comprises:		
UK Corporation tax at 19% (2017: 19.25%)	**136,137**	145,315
Adjustments in respect of prior years	**-**	(10,800)
Total tax expense for the year	**136,137**	134,515

Tax has been calculated using an estimated annual effective tax rate of 19% (2017: 19.25%) on profit before tax.

The difference between the total tax expense shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2018 $	2017 $
Profit before taxation	**711,462**	815,723
Tax on profit on ordinary activities at standard UK corporation tax rate of 19% (2017: 19.25%)	**135,178**	157,027
Tax effects of:		
Adjustments in respect of prior years	**8,001**	(10,800)
Non-taxable and non-deductible items	**-**	(11,712)
Exchange difference on opening and closing spot on current period payments	**(7,042)**	-
	136,137	134,515

Notes to the financial statements *(continued)*

8. Trade and other receivables

	2018	2017
	$	$
Trade receivables	**376**	1,908
Amounts due from Parent Company	**4,383,284**	3,826,739
Prepayments	**1,723**	1,975
	4,385,383	3,830,622

As at 31 December 2018, trade receivables of $nil (2017: $nil) were past due but not impaired. The ageing analysis of these receivables is as follows:

	2018	2017
	$	$
Up to 3 months past due	-	-
3 to 6 months past due	-	-
Over 6 months past due	-	-
	-	-

Trade receivables and amounts due from Parent Company are the only financial assets at amortised cost. Based on prior experience and an assessment of the current economic environment, the Directors do not consider any impairment provision is required against the above assets and consider that the carrying amount of the Company's trade and other receivable is a reasonable approximation of their fair value.

9. Cash and cash equivalents

	2018	2017
	$	$
Cash at hand and in bank	**193,297**	190,559

The Directors consider that the carrying amount of these assets is a reasonable approximation of their fair value. The credit risk on liquid funds is limited because the counter-party is a bank with a high credit rating.

10. Financial instruments

The Company's financial instruments comprise trade receivables and payables, intercompany balances, and cash and cash equivalents.

In respect of trade receivables, the Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is assessed by the Credit Committee. Trade receivables are written off when there is no reasonable expectation of recovery.

12 month and lifetime expected credit losses are estimated based on historical loss rates adjusted where evidence is available that different rates are likely to apply in the future.

Trade receivables are not material so no adjustment has been made in respect of expected credit losses.

Notes to the financial statements *(continued)*

10. Financial instruments (continued)

The Company's credit risk is primarily attributable to that due from Parent Company. The intercompany loan is repayable on demand and the Parent Company has sufficient highly liquid assets to repay the balance.

Therefore the probability of default is considered to be low and management have determined that any expected credit losses would be immaterial.

The carrying amount of financial assets represents the maximum credit exposure.

The Company's financial liabilities, which are all non-derivatives, comprise trade payables and accruals and are recorded at amortised cost. The carrying amount of these liabilities equals the gross contractual cash flows of $15,009 (2017: $7,370).

11. Trade and other payables

	2018	2017
	$	$
Trade payables	**11,827**	3,420
Accruals	**3,182**	3,950
	15,009	7,370

The Directors consider that the carrying amount of the trade and other payables is a reasonable approximation of their fair value.

12. Called up share capital

	2018	2017
	$	$
Allocated, allotted, issued and fully paid		
150,000 ordinary shares of £1 each	**236,300**	236,300

The Company is subject to regulatory capital resources requirements as imposed by the FCA.

13. Net cash generated from operating activities

	2018	2017
	$	$
Net cash generated from operating activities:		
Profit before tax	**711,462**	815,723
Increase in receivables	**(554,761)**	(791,937)
Increase/(decrease) in payables	**7,639**	(19,166)
Tax paid	**(161,602)**	--
Cash generated from continuing operations	**2,738**	4,620

Notes to the financial statements *(continued)*

14. Related party transactions

The following transactions were carried out with related parties:

	2018	2017
	$	$
Revenue	**1,243,520**	1,450,503
Administrative expenses	**931,426**	1,054,908

The following balances were due from related parties:

	2018	2017
	$	$
Amounts due from Parent Company	**4,383,284**	3,826,739

The receivable from the Parent Company is unsecured and bears no interest.

15. Contingent liabilities

At 31 December 2018, the Company had no contingent liabilities (2017: $nil).

16. Subsequent events

There has not been any matter occurring subsequent to the end of the financial period that has significantly affected, or may significantly affect the operations of the Company.