

Annual Report - Audit

New Zealand Coastal Seafoods Limited
For the year ended 31 March 2018

Prepared by French & Last-Harris Limited

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Directory

New Zealand Coastal Seafoods Limited (formerly Kiwi Ling Limited) For the year ended 31 March 2018

Nature of Business

Ling Sales

Registered Office

140 Quinns Road
Shirley
Christchurch

Incorporation Number

6159969

IRD Number

121259346

Directors

Alexander Zu Ming Li
Cataldo Miccio

Shareholders

| | |
|---------------------------------------|------|
| Cataldo Miccio | 1900 |
| Alexander Trading Corporation Limited | 950 |
| Chang Yuan Chen | 150 |

Chartered Accountant

French & Last-Harris Limited
Level 1
18 New Street
Nelson

Bankers

ANZ

Approval of Financial Report

New Zealand Coastal Seafoods Limited For the year ended 31 March 2018

The Directors are pleased to present the approved financial report including the historical financial statements of New Zealand Coastal Seafoods Limited for year ended 31 March 2018.

APPROVED

For and on behalf of the Board of Directors



Alexander Zu Ming Li

Date 15/4/2019



Cataldo Miccio

Date 15/4/2019

Statement of Profit or Loss

New Zealand Coastal Seafoods Limited For the year ended 31 March 2018

| | NOTES | 2018 | 2017 |
|--|-------|------------------|---------------|
| Income | | | |
| Trading Income | | 1,180,914 | 90,606 |
| Total Income | | 1,180,914 | 90,606 |
| Cost of Sales | | | |
| Cost of Sales | | 792,076 | 69,992 |
| Total Cost of Sales | | 792,076 | 69,992 |
| Gross Profit | | 388,839 | 20,614 |
| Other Income | | | |
| Other Revenue | | 31 | - |
| Total Other Income | | 31 | - |
| Administration Expenses | | | |
| Expenses | | 336,580 | 7,971 |
| Total Administration Expenses | | 336,580 | 7,971 |
| Net Profit (Loss) Before Taxation | | 52,289 | 12,644 |
| Taxation and Adjustments | | | |
| Non Deductible Expenses | | 1,929 | - |
| Income Tax Expense | 5 | 14,641 | 3,540 |
| Total Taxation and Adjustments | | 16,570 | 3,540 |
| Net Profit (Loss) for the Year | | 35,719 | 9,104 |



Balance Sheet

New Zealand Coastal Seafoods Limited As at 31 March 2018

| | NOTES | 31 MAR 2018 | 31 MAR 2017 |
|----------------------------------|-------|----------------|----------------|
| Assets | | | |
| Current Assets | | | |
| Cash and Bank | | | |
| ANZ Business Account | | 77,751 | 41,932 |
| Total Cash and Bank | | 77,751 | 41,932 |
| Trade and Other Receivables | | 5,068 | - |
| GST Receivable | | - | 7,179 |
| Inventories | | | |
| Inventories | | 60,958 | 61,596 |
| Total Inventories | | 60,958 | 61,596 |
| Total Current Assets | | 143,778 | 110,707 |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 4 | 50,786 | - |
| Total Non-Current Assets | | 50,786 | - |
| Total Assets | | 194,564 | 110,707 |
| Liabilities | | | |
| Current Liabilities | | | |
| Bank | | | |
| Visa Business | | 4,065 | - |
| Total Bank | | 4,065 | - |
| Trade and Other Payables | | 5,498 | 54,413 |
| GST Payable | | 28,347 | - |
| Income Tax Payable | 5 | 18,181 | 3,540 |
| Shareholder Current Accounts | | 8,650 | 8,650 |
| Loans | | 35,000 | 35,000 |
| Income in Advance | | 50,000 | - |
| Total Current Liabilities | | 149,741 | 101,603 |
| Total Liabilities | | 149,741 | 101,603 |
| Net Assets | | 44,823 | 9,104 |
| Equity | | | |
| Retained Earnings | | 44,823 | 9,104 |
| Total Equity | | 44,823 | 9,104 |



Statement of Changes in Equity

**New Zealand Coastal Seafoods Limited
For the year ended 31 March 2018**

| | 2018 | 2017 |
|------------------------|---------------|--------------|
| Equity | | |
| Opening Balance | 9,104 | - |
| Increases | | |
| Profit for the Period | 35,719 | 9,104 |
| Total Increases | 35,719 | 9,104 |
| Total Equity | 44,823 | 9,104 |



Notes to the Financial Statements

New Zealand Coastal Seafoods Limited For the year ended 31 March 2018

1. Reporting Entity

New Zealand Coastal Seafoods Ltd is a company incorporated under the Companies Act 1993.

This special purpose financial report was authorised for issue in accordance with a resolution of directors dated 31 October 2018.

2. Statement of Accounting Policies

Basis of Preparation

These financial statements have been prepared in accordance with the Special Purpose Framework for use by For-Profit Entities (SPFR for FPEs) published by Chartered Accountants Australia and New Zealand.

The financial statements have been prepared for taxation purposes.

Historical Cost

These financial statements have been prepared on a historical cost basis. The financial statements are presented in New Zealand dollars (NZ\$).

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Revenue Policy

The company's revenue is derived from selling goods with revenue recognised at a point in time when control of goods has transferred to the customer. This is when the goods are delivered to the customer.

Inventories Policy

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Income Tax

Income tax is accounted for using the taxes payable method. The income tax expense in profit or loss represents the estimated current obligation payable to Inland Revenue in respect of each reporting period after adjusting for any variances between estimated and actual income tax payable in the prior reporting period.

Goods and Services Tax

All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.



| | 2018 | 2017 |
|--|---------------|---------------|
| 3. Related Parties | | |
| Cataldo Miccio | | |
| Shareholders Advance to Company | 8,650 | 8,650 |
| Total Cataldo Miccio | 8,650 | 8,650 |
| April Trust | | |
| Consulting Fees | 39,993 | 2,000 |
| Total April Trust | 39,993 | 2,000 |
| Peter Win | | |
| Consulting Fees | 39,993 | 2,000 |
| Total Peter Win | 39,993 | 2,000 |
| Alexander Zu Ming Lu | | |
| Consulting Fees | 47,706 | 2,000 |
| Total Alexander Zu Ming Lu | 47,706 | 2,000 |
| Alexander Trading Company Limited | | |
| Manufacturing Services | 9,528 | 17,201 |
| Total Alexander Trading Company Limited | 9,528 | 17,201 |

Transactions with Associates

Key management personnel hold positions in other entities that result in them having control or significant influence over these entities. A number of these entities transacted with the company during the year engaging in consultancy services. The terms and conditions of these transactions were no more favourable than those available, or which might be reasonably expected to be available in similar transactions with non key management personnel related companies on an arms length basis.

During the 2017 period the company was provided with Manufacturing Services by Alexander Trading Company Limited a company that is controlled by Alexander Zu Ming Li. Amounts were billed based on normal market rates for such supplies and were due and payable under normal payment terms.

During the 2017 financial year Cataldo Miccio advanced \$8,650 to the company. This advance is unsecured.

| | 2018 | 2017 |
|--|---------------|----------|
| 4. Property, Plant and Equipment | | |
| Buildings | | |
| Buildings owned | 19,391 | - |
| Accumulated Depreciation - Buildings owned | (1,777) | - |
| Total Buildings | 17,613 | - |
| Plant & Equipment | | |
| Plant & Equipment owned | 35,478 | - |
| Accumulated Depreciation - Plant & Equipment owned | (3,396) | - |
| Total Plant & Equipment | 32,081 | - |
| Office Equipment | | |
| Office Equipment owned | 1,616 | - |



| | | |
|---|---------------|-------------|
| Accumulated Depreciation - Office Equipment owned | (523) | - |
| Total Office Equipment | 1,092 | - |
| Total Property, Plant and Equipment | 50,786 | - |
| | 2018 | 2017 |

5. Income Tax Expense

| | | |
|---|---------------|--------------|
| Net Profit (Loss) per Financial Statements | 35,719 | 9,104 |
| Additions to Taxable Profit | | |
| Entertainment - Non deductible | 1,551 | - |
| Income Tax Expense | 14,641 | 3,540 |
| IRD - Penalties | 378 | - |
| Total Additions to Taxable Profit | 16,570 | 3,540 |
| Deductions from Taxable Profit | | |
| Losses Brought Forward | - | - |
| Total Deductions from Taxable Profit | - | - |
| Taxable Profit (Loss) | 52,289 | 12,644 |
| Tax Payable at 28% | 14,641 | 3,540 |
| Deductions from Tax Payable | | |
| Dividend Imputation Credits | - | - |
| Resident Withholding Tax Paid | - | - |
| Provisional Tax Paid | - | - |
| Total Deductions from Tax Payable | - | - |
| Income Tax Payable (Refund Due) | 14,641 | 3,540 |
| | 2018 | 2017 |

6. Imputation Credit Account

| | | |
|--|----------|----------|
| Prior year custom row adjustment | - | - |
| Increases | | |
| IRD Interest | - | - |
| Imputation credits converted to losses | - | - |
| Income Tax Paid | - | - |
| Resident Withholding Tax Paid | - | - |
| Imputation credits on dividends received | - | - |
| Total Increases | - | - |
| Decreases | | |
| Imputation Credits Attached to Dividends | - | - |
| Income Tax Refund | - | - |
| Total Decreases | - | - |
| Total Imputation Credit Account | - | - |



Shareholder Current Accounts

New Zealand Coastal Seafoods Limited For the year ended 31 March 2018

| | 2018 | 2017 |
|---|-------|-------|
| Shareholder Current Accounts | | |
| Cataldo Miccio | | |
| Opening Balance | 8,650 | - |
| Increases | | |
| C Miccio Funds Introduced | - | 8,650 |
| Total Increases | - | 8,650 |
| Total Cataldo Miccio | 8,650 | 8,650 |
| Total Shareholder Current Accounts | 8,650 | 8,650 |



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of New Zealand Coastal Seafoods Limited

Qualified Opinion

We have audited the special purpose financial statements of New Zealand Coastal Seafoods Limited (the Company) on pages 5 to 11, which comprise the balance sheet as at 31 March 2018 and the statement of profit or loss for the year then ended, and notes to the special purpose financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the accompanying special purpose financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2018, and its financial performance for the year then ended in accordance with the accounting policies as disclosed in the statement of accounting policies of the special purpose financial statements.

Basis for Qualified Opinion

We were appointed as auditors of the entity on 22 February 2019 and thus did not observe the counting of the physical inventories at opening and closing balance date. We were unable to satisfy ourselves by alternative means concerning inventory quantities held at 31 March 2017 and 31 March 2018, which is stated in the balance sheet as \$61,596 and \$60,958 respectively. We were unable to determine whether adjustments might have been necessary in respect of recorded or unrecorded opening and closing inventories. Opening and closing inventories enter into the determination of the profit for the year reported in the statement of profit and loss.

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements* section of our report. We are independent of the Company in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, 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.

Other than in our capacity as auditor we have no relationship with, or interests in, the Company.

Emphasis of Matter – Basis of Accounting

We draw attention to the statement of accounting policies to the special purpose financial statements, which describes the basis of accounting, compiled under New Zealand taxation law. Our audit report has been prepared for the Company and its shareholders. Our opinion is not modified in respect of this matter.

Information Other Than the Special Purpose Financial Statements and Auditor's Report

The Directors are responsible for the other information. Our opinion on the special purpose financial statements does not cover the other information included in the annual report and we do not and will not express any form of assurance conclusion on the other information. At the time of our audit, there was no other information available to us.

In connection with our audit of the special purpose financial statements, if other information is included in the annual report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the special purpose financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of our auditors' report, we concluded that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of the Directors for the Special Purpose Financial Statements

The Directors are responsible on behalf of the entity for the preparation and fair presentation of the special purpose financial statements in accordance with the accounting policies as disclosed in the statement of accounting policies of the special purpose financial and for such internal control as the Directors determine is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose 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 Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 (NZ) 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 decisions of users taken on the basis of these special purpose financial statements.

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

- Identify and assess the risks of material misstatement of the special purpose 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,

- 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.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Directors 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 special purpose 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 special purpose financial statements, including the disclosures, and whether the special purpose 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.



Crowe Horwath New Zealand Audit Partnership
CHARTERED ACCOUNTANTS

Dated at Invercargill this 15th day of April 2019