

**ROUTE MOBILE (U) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**ROUTE MOBILE (U) LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

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**COMPANY INFORMATION**

**REGISTERED OFFICE**

Ntinda Complex B  
3<sup>rd</sup> Floor Innovation Village  
Nakawa  
P.O Box 40411  
Kampala, Uganda

**AUDITORS**

JMH Associates.  
Certified Public Accountant  
P. O. Box 106000, Mukono

**PRINCIPAL BANKERS**

Eco Bank (U) Uganda  
Parliamentary Avenue Branch  
Kampala, Uganda

## REPORT OF THE DIRECTORS

The Directors submit their report and the Audited financial statements for the year ended 31 March 2024 which disclose the state of affairs of the company.

## PRINCIPAL ACTIVITIES

The company was incorporated on 26<sup>th</sup> March 2018 and the principal activity of the company is to Providing Enterprise Messaging Solutions & Software Development. The company is a cloud communication provider to enterprises, over the top players and mobile network operators.

## RESULTS FOR THE YEAR

The results for the year are set out on page 7.

## RESERVES

The reserves of the company are set out on page 8.

## DIVIDEND

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

## DIRECTORS

The Directors who served during the year and to the date of this report were:  
Sandip Kumar Chandrakant Gupta  
Rajdip Kumar Gupta

## AUDITORS

The company's auditors, Messrs. JMH Associates Certified Public Accountant have expressed their willingness to continue in office in accordance with Section 167(2) of the Companies Act.

## BY ORDER OF THE BOARD

Rajdipkumar Gupta.

SECRETARY

3<sup>rd</sup> May,..... 2024  
Date

**ROUTE MOBILE (U) LIMITED  
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FOR THE YEAR ENDED 31 MARCH 2024**

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**STATEMENT OF DIRECTORS' RESPONSIBILITY**

The Companies Act 2012 requires the Directors to prepare financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the operating results for that year. It also requires the directors to ensure that the company maintains proper accounting records which disclose with reasonable accuracy the financial position of the company. The directors are also responsible for safeguarding the assets of the company.

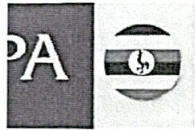
The Directors accept the responsibility for the financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates consistent with previous years, and in conformity with the International Financial Reporting Standards and the requirements of the Companies Act 2012. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company as at 31 March 2023 and of its operating results for the year then ended. The directors further confirm the accuracy and completeness of the accounting records maintained by the company which have been relied upon in the preparation of the financial statements, as well as on the adequacy of the systems of internal financial controls.

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

Approved by the board of Directors on 3rd May, 2024 and signed on its behalf by:

  
\_\_\_\_\_  
DIRECTOR

  
\_\_\_\_\_  
DIRECTOR



# JMH ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 106000  
Naggalama, Mukono

+256 776 007 999

+256 752 007 999

cpa.jmh@gmail.com

www.jmh.com

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ROUTE MOBILE (U) LIMITED

## Opinion

We have audited the financial statements of Route Mobile (U) Limited set out on pages 8 to 20, which comprise the statement of financial position as at 31 March 2024 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including significant accounting policies.

In our opinion the financial statements present fairly in all material respects, the financial position of Route Mobile (U) Limited as at 31 March 2024, and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards and the Companies Act 2012.

## Basis for the Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of Financial Statements section of our report. We are independent of the company in accordance with the International Federation of Accountants' Code of Ethics for Professional Accountants (IFAC code) and other independent requirements applicable to performing audit of Route Mobile (U) Limited. We have fulfilled our other ethical responsibilities in accordance with the IFAC Code, and in accordance with other ethical requirements applicable to performing the audit of Route Mobile (U) Limited. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

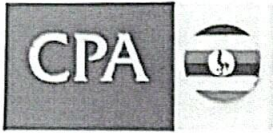
## Other Information

The management is responsible for the other information. The other information comprises the Report of the Directors. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or 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.





# JMH ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

## Responsibilities of the Management for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards and for such inter alia controls as management determines are necessary to enable the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 the management 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 it is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

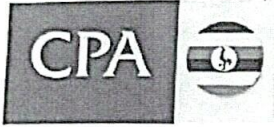
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our qualified opinion. The risk of not 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 the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

P.O. Box 106000   
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+256 752 007 999   
cpajmh@gmail.com   
www.jmh.com







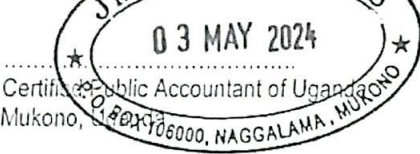


# JMH ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

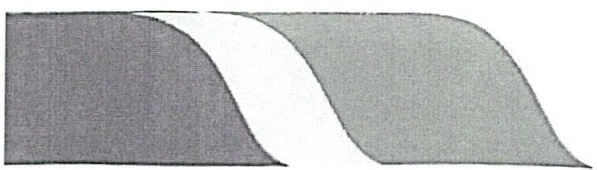
P.O. Box 106000   
Naggalama, Mukono   
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+256 752 007 999   
cpa.jmh@gmail.com   
www.jmh.com

The engagement of JMH ASSOCIATES as independent auditor resulting in this independent auditor's report is for the period ending 31st March 2024.



CPA Mark B Kazibwe - FM3939


..... / ..... / 2024




**STATEMENT OF FINANCIAL POSITION**

	Note	2024 Ushs.	2023 Ushs.
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and Equipment		2,486,385	4,435,129
Related Party Transactions	2	50,000,000	50,000,000
Security Deposit	3	-	0
		<u>52,486,385</u>	<u>54,435,129</u>
<b>Current assets</b>			
Related Party Transactions	2	9,348,631	2,088,601
Trade and other receivables	4	93,598,194	61,289,912
Tax Recoverable		1,500,000	1,500,000
Cash and Bank balances	5	7,698,364	17,403,013
		<u>112,145,189</u>	<u>82,281,527</u>
<b>TOTAL ASSETS</b>		<u>164,631,574</u>	<u>134,628,054</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share Capital	6	50,000,000	50,000,000
Accumulated Losses		(609,352,638)	(458,276,074)
		<u>(559,352,638)</u>	<u>(408,276,074)</u>
<b>Non-current Liabilities</b>			
Related Party Transactions	2	692,471,153	553,487,857
<b>Current liabilities</b>			
Trade and other payables	8	31,513,059	(10,583,729)
		<u>31,513,059</u>	<u>(10,583,729)</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>164,631,574</u>	<u>134,628,055</u>

These financial statements were approved by Board of Director on 03 / 05 / 2024 and signed on its behalf by,

  
.....  
Director

  
.....  
Director

ROUTE MOBILE (U) LIMITED  
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STATEMENT OF COMPREHENSIVE INCOME

	Notes	2024 Ushs.	2023 Ushs.
<b>INCOME</b>			
Revenue	8	81,193,392	30,939,644
Direct Costs	9	(77,977,811)	(17,620,596)
		<u>3,215,581</u>	<u>13,319,048</u>
Other income	10	2,447,477	0
		<u>5,663,054</u>	<u>13,319,047</u>
<b>EXPENSES</b>			
Administrative expenses	11	(155,433,268)	(157,094,890)
		<u>(155,433,268)</u>	<u>(157,094,890)</u>
<b>Operating Loss</b>		<b>(149,770,213)</b>	<b>(143,775,843)</b>
Finance costs	12	(1,306,350)	(889,300)
<b>LOSS BEFORE TAXATION</b>	13	<b>(151,076,564)</b>	<b>(144,665,142)</b>
TAXATION	14	-	-
<b>LOSS FOR THE YEAR</b>		<b><u>(151,076,564)</u></b>	<b><u>(144,665,142)</u></b>

ROUTE MOBILE (U) LIMITED  
 ANNUAL REPORT AND FINANCIAL STATEMENTS  
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STATEMENT OF CHANGES IN EQUITY

	Share Capital	Accumulated Losses	Total
	Ushs.	Ushs.	Ushs.
As at 01 April 2023	50,000,000	(458,276,074)	(408,276,074)
Loss for the year	-	(151,076,564)	(151,076,564)
At 31 March 2024	<u>50,000,000</u>	<u>(609,352,638)</u>	<u>(559,352,638)</u>

	Share Capital	Accumulated Losses	Total
	Ushs.	Ushs.	Ushs.
As at 01 April 2022	50,000,000	(313,610,932)	(263,610,932)
Loss for the year	-	(144,665,142)	(144,665,142)
At 31 March 2023	<u>50,000,000</u>	<u>(458,276,074)</u>	<u>(408,276,074)</u>

## STATEMENT OF CASHFLOWS

	Note	2024 Ushs.	2023 Ushs.
<b>OPERATING ACTIVITIES</b>			
Loss before tax		(151,076,564)	(144,665,142)
<b>Adjustments for:</b>			
Balance Written off		623,001	
Depreciation		<u>1,948,744</u>	<u>-</u>
<b>Operating profit before working capital changes</b>		<b>(148,504,820)</b>	<b>(144,665,142)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Related Party Transactions			
Increase in Trade and other receivables	5	(39,568,311)	16,373,369
(Decrease)/increase in trade and other payables	9	<u>42,385,186</u>	<u>(23,192,175)</u>
<b>Cash generated from operations</b>		<b>2,816,875</b>	<b>(3,463,287)</b>
Taxation/Deposit paid		<u>-</u>	<u>0</u>
<b>Net cash generated from/(used in) operating activities</b>		<b>(145,687,945)</b>	<b>(148,128,429)</b>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>			
Related Party Transactions		138,983,297	135,943,829
Fixed Deposits		(3,000,000)	
Purchase of fixed assets		0	(4,435,129)
<b>Net cash used in investing activities</b>		<b><u>135,983,296</u></b>	<b><u>131,508,700</u></b>
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>			
Issue of share capital		-	-
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(9,704,649)</b>	<b>(16,619,729)</b>
Cash and cash equivalents at beginning of the year		<u>17,403,013</u>	<u>34,022,742</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b><u>7,698,364</u></b>	<b><u>17,403,013</u></b>
Statement of Reconciliation of Cash & Cash equivalents			
		2024 Ushs.	2023 Ushs.
Bank and cash balances	5	4,698,364	17,403,013
Fixed Deposit		<u>3,000,000</u>	
		<b><u>7,698,364</u></b>	<b><u>17,403,013</u></b>

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1.1 Basis of preparation**

The financial statements are prepared under the historical cost convention.

### **1.2 Statement of Compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards.

### **1.3 Sales/Revenue**

Revenue is measured at fair value of the consideration received or receivable and represents the amount receivable for goods or services provided in the normal course of business.

### **1.4 Inventories**

Inventories are valued at the lower of cost and net realizable value. Cost comprises expenditure incurred in the normal course of business. Net realizable value is the price at which the inventories can be realized in the normal course of business after allowing for the costs of the realization. Provision is made for expired, slow moving and damaged inventories.

### **1.5 Property and Equipment**

Property and equipment are stated at cost less accumulated depreciation. is initially recorded at cost and thereafter stated at historical cost less depreciation. Depreciation is calculated to write off the cost of property and equipment on a straight-line basis over the expected useful lives of the assets.

### **1.6 Translation of foreign currency**

Monetary assets and liabilities at the balance sheet date, which are expressed in foreign currencies are translated into Uganda Shillings at the balance sheet date. Translations during the year are converted into Uganda Shillings at rates ruling at transactions date. The resulting differences from conversion and translation are dealt with in the statement of comprehensive income in the year in which they arise.

### **1.7 Trade receivables**

Trade receivables are carried at anticipated amounts. An estimate is not made for doubtful receivables based on review of all outstanding amounts at year end. Bad debts are written off when all reasonable steps to recover them have been taken without success.

### **1.8 Trade and other payables**

Liabilities for trade and other payables are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1.9 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks

### 1.10 Taxation

#### Current tax

Tax on the profit or loss for the year comprises current tax and deferred tax charge/credit. Current tax is provided on the result for the year as adjusted for tax in accordance with tax legislation.

#### Deferred Tax

Deferred tax taxation is provided using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purpose. Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax loss and unused tax credits to the extent that is probable that future taxable profits will be available against which the deductible temporary differences, un used tax losses and the un used tax credit can be utilized. The carrying amount of the deferred tax assets and liabilities is reviewed at each balance sheet date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income asset to be utilized. The prevailing tax rates are used to determine deferred tax

### 1.11 Retirement benefit obligations

The company does not contribute to the Statutory National Social Security Fund (NSSF) since the numbers of staff that do exist are below the threshold. This is a defined contribution scheme registered under National Social Security Act. The company's obligation under the scheme is limited to contributions legislated from time to time and are currently 10% of the employees' gross salary. The company's contributions are charged to the income statement in the year to which they relate

## 2. RELATED PARTY TRANSACTIONS

A related party transaction is a transfer of resources, services or obligations between the reporting entity and related party, regardless of whether the price is charged or not. The following related party balance and transactions are included in the financial statements as at 31 March 2023.

	<b>2024</b>	<b>2023</b>
	<b>Ushs.</b>	<b>Ushs.</b>
<b>Non-current/Current asset</b>		
Route Mobile (UK) Limited	50,000,000	50,000,000
Computers RMUL	2,486,385	4,435,129
	<u><b>52,486,385</b></u>	<u><b>54,435,129</b></u>
<b>Non-current liabilities</b>		
Route Mobile (UK) Limited	672,917,328	534,483,447
Route Sms Solution FZE	19,053,826	19,004,410
	<u><b>692,471,153</b></u>	<u><b>553,487,857</b></u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2024 Ushs.	2023 Ushs.
<b>3. SECURITY DEPOSIT</b>		
RMUL	-	0
<b>4. TRADE AND OTHER RECEIVABLES</b>		
Trade Receivables	24,575,717	1,237,852
<b>Other Receivables</b>		
Related Party	9,348,631	2,088,601
Prepaid Expenses	1,268,038	1,337,400
Advances to Suppliers -RMUL	67,754,440	56,626,060
	<b>102,946,825</b>	<b>61,289,912</b>
<b>5. CASH AND BANK</b>		
For the purpose of the cash flow statement, cash and cash equivalents comprise the following:		
Bank Balance - Eco Bank	4,698,364	17,403,013
Fixed Deposit	3,000,000	
	<b>7,698,364</b>	<b>17,403,013</b>
<b>6. SHARE CAPITAL</b>		
Authorized, issued and fully paid 100,000 ordinary shares of Ushs. 500 each	50,000,000	50,000,000
<b>7. TRADE AND OTHER PAYABLES</b>		
Trade Payables	-	-
<b>Other Payables</b>		
Payables for purchases	15,153,886	(21,152,864)
Wages Payable	5,525,616	4,621,014
NSSF	4,167,330	3,958,574
URA PAYE	2,407,053	1,989,547
	4,259,174	
	<b>31,513,059</b>	<b>(10,583,729)</b>
<b>8. REVENUE</b>		
Enterprise messaging services	51,104,587	32,356,641
Intercompany Sales -RMUL	7,012,119	1,938,521
Domestic Sales	(903,656)	(3,355,518)
WhatsApp Service	23,980,342	-
	<b>81,193,392</b>	<b>30,939,644</b>
<b>9. DIRECT COSTS</b>		
Domestic purchase - RMUL	37,224,180	3,373,960
Short Code Service Charges - RMUL	8,908,315	8,246,636
Sender ID registration charges	25,801,253	6,000,000
Purchases - International	451,840	
Intercompany Purchase	3,244,793	
Intercompany Purchase WhatsApp	2,347,430	
	<b>77,977,811</b>	<b>17,620,596</b>



ROUTE MOBILE (U) LIMITED  
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2024 Ushs.	2023 Ushs.
<b>10. OTHER INCOMES</b>		
Write back	623,005	-
Exchange Gain	1,824,472	-
	<u>2,447,477</u>	<u>-</u>
<b>11. ADMINISTRATION EXPENSES</b>		
Accountancy, audit and tax fees	-	-
Professional Fees	21,200,000	25,575,000
Exchange loss	16,381,388	19,065,816
Telephone, Internet and courier	29,437	13,536,211
Licenses, membership and permits	660,000	944,000
Salaries and wages	110,222,363	91,851,972
Stationery Expenses	1,080	-
Office expenses	184,000	76,648
Rent rates and taxes	4,800,000	2,800,000
Fines and penalties	-	-
Tax Expenses	-	-
Travelling Expenses	6,260	1,834,133
Rounding off	-4	-
Depreciation	1,948,744	1,411,110
	<u>155,433,268</u>	<u>157,094,890</u>
<b>12. FINANCE COSTS</b>		
Written Off	-	-
Bank Charges	1,306,350	889,300
	<u>1,306,350</u>	<u>889,300</u>
Loss before taxation is stated after charging:		
Accountancy, audit and tax fees	-	-
Depreciation and amortization	1,948,744	1,411,110

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2024 Ushs.	2023 Ushs.
<b>13. TAXATION</b>		
<b>Statement of financial position</b>		
Balance brought forward	1,500,000	1,500,000
Tax Deposits for the year	-	-
withholding tax	-	-
Charge for the year	-	-
	<u>1,500,000</u>	<u>1,500,000</u>
<b>Deferred Tax</b>		
Balance brought forward	-	-
Charge for the year	-	-
<b>Balance carried forward</b>	<u>-</u>	<u>-</u>
<b>Statement of comprehensive income</b>		
Current Tax at 30%	-	-
Differed tax	-	-
	<u>-</u>	<u>-</u>
The net deferred tax liability comprised of;		
Accelerated Capital Allowances		
Tax Losses	(151,076,564)	(144,665,142)
Share Capital	<u>(151,076,564)</u>	<u>(144,665,142)</u>

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **14. POST BALANCE SHEET EVENTS**

There were no post balance sheet events that require disclosure in the financial statements.

### **15. FINANCIAL INSTRUMENTS**

Nature of activities and policies with respect to financial statements.

#### **Foreign exchange**

The company's operations are predominantly in Uganda where the currency is subject to gradual devaluation against major currencies. All assets and liabilities are denominated in Uganda shillings. The company does not hedge its foreign currency risk.

#### **Credit Risk**

In the normal course of its business, all company encounter credit risk from financial institutions and advances to customers. The credit risk exposure is, however, limited due to the management's constant monitoring of the status of financial institutions where deposits are maintained, the maintenance of collateral loan security fund and the ongoing procedures, which monitor the credit worthiness of its customers.

#### **Fair Value**

There is no material difference, between the fair value and the carrying value of the company's financial assets and liabilities

### **16. CAPITAL COMMITMENTS**

There were no capital commitments as at 31 March 2024.

### **17. CONTINGENT LIABILITIES**

There were no contingent liabilities as at 31 March 2024.

### **18. EMPLOYEES**

There was 01 permanent staff during the year.

### **19. INCORPORATION**

The company is incorporated in Uganda under the Companies Act 2012.

### **20. CURRENCY**

The financial statements are presented in Uganda Shillings

## TAX COMPUTATION

	2024	2023
	Ushs.	Ushs.
<b>Particulars</b>		
Loss as per accounts	(151,076,564)	(141,665,142)
Add		
Depreciation	1,948,744	1,411,110
Fines and penalties	-	-
	<u>(149,127,820)</u>	<u>(143,254,032)</u>
<b>Less:</b>		
Wear & Tear	-	-
Adjusted Tax loss	(313,376,412)	(313,376,412)
Less tax loss brought forward	-	-
<b>Tax loss to be carried forward</b>	<u>(462,504,232)</u>	<u>(313,376,412)</u>
<b>Tax @ 30%</b>		
Less tax paid in advance	-	-
Tax Claimable b/f	(1,500,000)	(1,500,000)
Provisional Tax	-	-
Withholding Tax	-	-
<b>Tax Claimable</b>	<u>(1,500,000)</u>	<u>(1,500,000)</u>