



Some years ago Mitchell purchased an 80% subsidiary, Lausanne SA, a foreign operation, for \$2,670,000. The following figures are relevant:

	Mitchell \$	Lausanne SA CHF
Net assets at 31 December 20X4	<u>50,629,000</u>	<u>15,940,000</u>
Extract from financial statements for the year ended 31 December 20X5		
Profit after tax	2,450,000	175,500
Dividend paid and payable	500,000	-

The following rates of exchange apply:

Date	Rate CHF = \$1
31 December 20X4	1.70
31 December 20X5	1.50
Average for 20X5	1.55

What is the total movement on the consolidated reserves to be shown in the notes to the accounts of Mitchell for the year ended 31 December 20X5? (Do all calculations to the nearest \$'000).

- A \$3,042,000
- B \$3,045,000
- C \$3,314,000
- D \$3,318,000