



ESGANA, MIRANDA-ESGANA & ASSOCIATES
Certified Public Accountants
PRC BOA No. 1689 effective until Aug. 31, 2023

REPORT OF INDEPENDENT AUDITOR

The Board of Directors

ECU WORLDWIDE (PHILIPPINES) Inc.

TIN: 209-009-844-000

Unit 804-805 8th Floor, Scape Building, D. Macapagal Boulevard, Bgy 76, Pasay City

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements which comprise the statements of **ECU WORLDWIDE (PHILIPPINES) Inc.** financial position as at December 31, 2021 and 2020 and the statements of income for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **ECU WORLDWIDE (PHILIPPINES) Inc.** as at December 31, 2021 and 2020 and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) for Small and Medium Sized Entities (SMEs).

Basis for Opinion

I conducted my audit, in accordance with Philippine Standards on Auditing (PSA). My responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of my report. I am **independent** of the Company in accordance with the Philippine Ethics Standards Board for Accountants (PESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in the Philippines, the Code of Ethics for Professional Accountants in the Philippine (Philippine Code of Ethics), and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Material Uncertainty Related to Going —Concern

Having regard to the future period to which those charged with governance have paid particular attention in assessing going concern. I have planned and performed procedures specifically designed to identify any material matters which could indicate concern about the entity's ability to continue as a going concern. No events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Use of going concern basis of accounting is appropriate and no material uncertainty has been identified.

Emphasis of Matter

I draw attention to the financial statements which describes the policy adopted by the company of when an entity should adjust its financial statements for events after the reporting period; and the disclosures that an entity should give about the date when the financial statements were authorized for issue and about events after the reporting period.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment were most significant in my audit of the financial statements of the current period. These matters were significant in my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have determined that there are no key audit matters to communicate my report.

My opinion on the financial statements does not cover the information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to send other **information and in doing so** identified above when it becomes available and, in doing so, considers whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS for (SMEs), and for such internal control as management determines 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, 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.

Those charged with the governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSA 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 consolidated financial statements.

As part of an audit in accordance with PSA, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of the accounting policies used in reasonableness of the accounting estimates and related disclosures made by the 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide time charged with a statement that I have complied with relevant ethical requirements regarding Independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

I describe these matters in my auditor' report unless law regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Supplementary Information Required under Revenue Regulation 15-2010 of the Bureau of Internal Revenue

My audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 20 as hereto included in a separate schedule is presented for **purposes of filing with the Bureau of Internal Revenue** and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in my audits of the basic financial statements. In my opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


SUSAN MIRANDA-ESGANA

Partner; CPA Cert. No. 57272

PTR No. 2905989 issued on 01/03/2022, Paranaque City

TIN: 132-140-697-000

BIR A.N. 08-005908-001-2020 issued on 03/09/2020; effective until 03/08/2023

BOA/ PRC Reg. No. 1689 effective until August 31, 2023

Parañaque City

Audit • Taxation • Bookkeeping • Management Consultancy

ECU WORLDWIDE (PHILIPPINES), INC.
STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)
AS OF DECEMBER 31, 2021

Accounts	Notes	DEC.31,2021		DEC.31,2020	
		Financial Position		Financial Position	
		Local	Eur	Local	Eur
Cash & equivalents	3	17,298,910	298,804	10,393,614	176,608
Accounts receivable		175,634,872	3,033,741	114,363,331	1,943,262
Deposits	4	3,790,656	65,476	4,170,525	70,866
Prepayment & advances		5,416,273	93,555	1,433,800	24,363
Property & equipment - net	5	1,463,894	25,286	1,824,934	31,009
TOTAL ASSETS		203,604,605	3,516,862	132,186,203	2,246,108
Accounts payable - trade		138,811,380	2,397,689	51,061,164	867,631
Accounts payable - non trade	6	4,019,952	69,437	25,002,263	424,838
Accrued expenses		906,448	15,657	1,647,681	27,997
Total Liabilities		143,737,780	2,482,783	77,711,109	1,320,467
Share capital		10,000,000	172,730	10,000,000	169,920
Profit after tax for the period		5,391,731	93,131	3,534,113	60,052
Retained earnings, end.		49,866,826	861,350	44,475,095	755,721
Total Shareholders Equity	7	59,866,826	1,034,080	54,475,095	925,641
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		203,604,605	3,516,862	132,186,203	2,246,108

ECU WORLDWIDE (PHILIPPINES), INC.
CONSOLIDATED STATEMENTS OF TOTAL COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021				2020		
	Financial Performance				Financial Performance		
	Local	Eur	%		Local	Eur	%
Gross revenue:							
Operational revenue	1,160,597,294	19,935,580			608,221,652	10,760,049	
Other revenue (loss)	(32,868)	(565)			(45,567)	(806)	
Total gross revenue	1,160,564,427	19,935,015	100.00%		608,176,084	10,759,243	100.00%
Less Operational cost	1,082,812,663	18,599,473	93.30%		538,792,233	9,531,773	88.59%
Gross profit	77,751,764	1,335,542	6.70%		69,383,851	1,227,470	11.41%
Less General & administrative exp	68,479,182	1,176,267	5.90%		63,590,461	1,124,979	10.46%
Profit from operating activities	9,272,582	159,275	0.80%		5,793,390	102,491	0.95%
Less Other charges (income)	2,085,550	35,823	0.18%		744,657	13,174	0.12%
Profit before income tax	7,187,033	123,452	0.62%		5,048,733	89,317	0.83%
Less Income tax	1,795,302	30,838	0.15%		1,514,620	26,795	0.25%
Profit for the year from operations	5,391,731	92,614	0.46%		3,534,113	62,522	0.58%

ECU WORLDWIDE (PHILIPPINES), INC.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021

		2021		2020	
3	Cash & equivalents				
		Dec31.2021		Dec31.2020	
		Local	Eur	Local	Eur

A-IX. A. Cash (Main Cash and Petty Cash) Balance		0	20,899	355
A-IX. A. Petty Cash	151	3	13,953	237
A-IX. A. China Trust Bank Cebu - Manilla (PHP)	8,052,026	139,083	355,793	6,046
A-IX. A. BANK OF THE PHILIPPINE ISLANDS - Manilla (PHP)	2,969,913	51,299	2,278,948	38,724
A-IX. A. China Trust Bank Cebu - Cebu (PHP)	0	0	0	0
A-IX. A. China Trust Bank Cebu - Manilla (USD)	3,276,733	56,599	452,649	7,691
A-IX. A. UnionBank of the Philippines	3,000,088	51,821	7,271,372	123,555
	17,298,910	298,804	10,393,614	176,608

4	Deposits	Local	Eur	Local	Eur
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	Guarantees given	3,907,291	67,491	4,482,541	76,167
	Container Deposits EST COST	205,722	3,553	205,722	3,496
	Container Deposits ACT COST	16,822,381	290,573	14,198,881	241,267
	Container Deposits ACT REV	(17,144,740)	(296,141)	(14,716,620)	(250,065)
		3,790,656	65,476	4,170,525	70,866

5	Property & equipment				
		Dec31.2021		Dec31.2020	
		Local	Eur	Local	Eur

Cost :

Office Equipment, Furnitures & Fixtures	8,277,143	142,971	7,836,279	133,154
Transportation equipment	5,401,841	93,306	5,401,841	91,788
Leasing and other Similar rights	6,290,402	108,654	6,290,402	106,887
Software	229,150	3,958		
Total at cost	20,198,536	348,889	19,528,523	331,829

Accumulated depreciation:

Accum. Dep. - Office Equipment, Furniture & Fix	7,682,877	132,706	7,126,067	121,086
Accum. Dep. - Transportation equipment	4,856,124	83,880	4,571,402	77,677
ACCUM.-DEP. LEASEHOLD AT COST	6,195,642	107,017	6,006,120	102,056
Total accum.depn.	18,734,642	323,603	17,703,589	300,819

Net book value:

Furnitures & Fixtures	594,266	10,265	710,212	12,068
Office Equipment	0	0	0	0
Transportation equipment	545,717	9,426	830,439	14,111
Leasehold Improvements	94,761	1,637	284,282	4,831
Software	229,150	3,958		
Net value	1,463,894	25,286	1,824,934	31,009

		Dec31.2021		Dec31.2020	
		Local	Eur	Local	Eur
6	Accounts payable-non trade				
	Staff related - SSS, etc.	3,304,899	57,086	2,969,687	50,461
	Income and other taxes	715,053	12,351	809,462	13,754
	Other payables	0	0	21,223,114	360,623
		4,019,952	69,437	25,002,263	424,838

7	Shareholders' Equity	As at December 31, 2021		As at December 31, 2020	
		Local	Eur	Local	Eur
	Share capital beginning	10,000,000	172,730	10,000,000	169,920
	Additional paid-in capital				
	From Cash paid-in				
	From Retained earnings				
	Share capital ending	10,000,000	172,730	10,000,000	169,920
	Retained earnings beginning	44,475,095	768,218	40,940,981	695,669
	Distributed earnings	0		0	
	Net income for the period	5,391,731	93,131	3,534,113	60,052
	Retained earnings ending	49,866,826	861,350	44,475,095	755,721
	Shareholders' Equity - ending	59,866,826	1,034,080	54,475,095	925,641