

ECU Worldwide New Zealand Limited

Financial Statements for the Year Ended 31 December 2019

<i><u>Contents</u></i>	<i>Page</i>
Company Directory	1
Auditor's Report	2
Statement of Profit or Loss	5
Statement of Changes in Equity	6
Balance Sheet	7
Notes to the Accounts	8

ECU Worldwide New Zealand Limited

Company Directory

As at 31st December 2019

Issued Capital	100 Ordinary Shares		
Registered Office	C/- RPL Accountants First Floor, VTR House, 24 Manukau Road Epsom, Auckland		
Directors	Udaya Kumar Shetty Gavin John Armstrong (resigned 31 December 2019) Kerry Anne Nemeth (appointed 1 January 2020)		
Company Number	961469		
Auditors	Lynch & Associates Limited		
Accountants	RPL Accountants Ltd PO Box 26 314 Epsom Auckland		
Bankers	Bank of New Zealand		
Solicitors	Chapman Tripp Level 35, ANZ Bldg, 23-29 Albert Street, Auckland		
Date of Formation	20 May 1999		
Nature of Business	Freight Brokering Services		
Business Location	Unit 1, 203 Kirkbride Rd Airport Oaks Auckland		
Shareholders	Ecuhold NV	<div><div></div><div>100</div><div>100</div></div>	Ordinary Shares

ECU Worldwide New Zealand Limited

Statement of Profit or Loss

For the Year Ended 31st December 2019

	<i>Note</i>	<i>2019</i> \$	<i>2018</i> \$
Sales		3,817,926	3,986,873
Cost of Sales		<u>(3,017,411)</u>	<u>(3,048,704)</u>
GROSS PROFIT		800,515	938,169
Other Operating Income	4	712	22
Depreciation		(1,846)	(2,652)
Finance Costs		(27)	(36)
Other Operating Costs	4	(738,685)	(769,823)
PROFIT BEFORE INCOME TAX		<u>60,669</u>	<u>165,679</u>
Income Tax Expense	6	(17,513)	(51,382)
NET PROFIT/(LOSS)		<u><u>\$43,156</u></u>	<u><u>\$114,297</u></u>

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached Audit Report.*

ECU Worldwide New Zealand Limited

Statement of Changes in Equity

For the Year Ended 31st December 2019

	<i>Note</i>	2019 \$	2018 \$
EQUITY AT START OF YEAR		225,838	186,541
PROFIT & REVALUATIONS			
Profit after Tax		<u>43,156</u>	<u>114,297</u>
Total Recognised Incomes & Expenses		43,156	114,297
OTHER MOVEMENTS			
Distribution to owners		<u>(225,000)</u>	<u>(75,000)</u>
EQUITY AT END OF YEAR		<u><u>\$43,993</u></u>	<u><u>\$225,838</u></u>
 MOVEMENTS IN RETAINED EARNINGS			
Retained Earnings at start of year		225,738	186,441
Net Profit		43,156	114,297
Dividends Paid		<u>(225,000)</u>	<u>(75,000)</u>
Retained Earnings at End of Year		43,893	225,738
 MOVEMENTS IN ISSUED CAPITAL			
Balance at Start of Year		<u>100</u>	<u>100</u>
Balance at End of Year		100	100
		<u><u>\$43,993</u></u>	<u><u>\$225,838</u></u>

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached Audit Report.*

ECU Worldwide New Zealand Limited

Balance Sheet

As at 31st December 2019

	Note	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents		59,406	95,447
Taxation	6	18,702	2,186
Trade and other receivables	10	<u>672,906</u>	<u>670,535</u>
Total Current Assets		751,014	768,168
NON-CURRENT ASSETS			
Property, plant & equipment	9	<u>9,394</u>	<u>11,240</u>
Total Non-Current Assets		9,394	11,240
TOTAL ASSETS		<u>760,409</u>	<u>779,409</u>
CURRENT LIABILITIES			
GST due for payment		18,096	21,421
Trade and other payables	11	667,895	517,172
Employee benefits	12	20,424	14,978
Other provisions	12	<u>10,000</u>	<u>-</u>
Total Current Liabilities		716,415	553,571
TOTAL LIABILITIES		<u>716,415</u>	<u>553,571</u>
NET ASSETS		<u>\$43,993</u>	<u>\$225,838</u>
Represented by:			
EQUITY			
Share capital		100	100
Retained Earnings		<u>43,893</u>	<u>225,738</u>
TOTAL EQUITY		<u>\$43,993</u>	<u>\$225,838</u>

The accompanying notes form part of these Financial Statements and should be read in conjunction with the reports contained herein.

For and on behalf of the Board :

Director 

Director 

31st March 2020

ECU Worldwide New Zealand Limited

Notes to the Financial Statements

For the Year Ended 31st December 2019

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

These are the financial statements of ECU Worldwide New Zealand Limited a company incorporated in New Zealand registered under the Companies Act 1993. ECU Worldwide New Zealand Limited is engaged in the business of Freight Brokering Services.

Measurement Base

The financial statements of ECU Worldwide New Zealand Limited are special purpose reports prepared for tax purposes and for internal management use and should not be relied on for any other purpose.

The financial statements of ECU Worldwide New Zealand Limited have been prepared on an historical cost basis, except as noted otherwise below.

The information is presented in New Zealand dollars.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

Specific Accounting Policies

In the preparation of these financial statements, the specific accounting policies are as follows:

(a) Property, Plant & Equipment

The entity has the following classes of Property, Plant & Equipment;

Furniture & Fittings	12 - 30%	DV
Office Equipment	36 - 40%	DV or SL

All property, plant & equipment except for land is stated at cost less depreciation.

Depreciation has been calculated in accordance with rates permitted under the Income Tax Act 2007.

(b) Foreign Currencies

Both the functional and presentation currency for the entity is New Zealand dollars.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary items denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

The gain or loss on translation differences on non-monetary items is recognised in equity, whilst other translation differences to monetary items are recognised in the Statement of Financial Performance.

(c) Goods & Services Tax

These financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable which are shown inclusive of GST.

(d) Taxation

Income tax is accounted for using the taxes payable method. The income tax expense charged to the Statement of Profit or Loss is the estimated tax payable in the current year, adjusted for any differences between the estimated and actual tax payable in prior years.

ECU Worldwide New Zealand Limited

Notes to the Financial Statements

For the Year Ended 31st December 2019

(e) **Income**

Sales of goods are recognised when they have been delivered and accepted by the customer.

Interest income is recognised using the effective interest method.

Dividend income is recognised when the shareholders' right to receive the payment is established.

(f) **Receivables**

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

(g) **Provisions**

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2. **AUDIT**

These financial statements have been subject to audit, please refer to Auditor's Report.

3. **CONTINGENT LIABILITIES**

At balance date there are no known contingent liabilities (2018:\$0). ECU Worldwide New Zealand Limited has not granted any securities in respect of liabilities payable by any other party whatsoever.

4. **ADDITIONAL INFORMATION**

	2019	2018
	\$	\$
<u>Income</u>		
Dividends Received	531	-
Interest Received	181	22
	<u>712</u>	<u>22</u>
<u>Expenses</u>		
Accident Compensation Levy	620	796
Accountancy Fees	11,700	11,700
Audit Fees	6,280	12,015
Bad Debts	10,000	-
Bank Charges	4,230	3,635
Computer Expenses	6,079	7,197
Customs Fees	23,065	25,748
ECUHOLD Fees	59,118	59,476
Entertainment Expenses	4,621	5,193
Exchange Rate Variation	(17,698)	(8,854)
Fringe Benefit Taxation	11,317	10,690
Insurance	25	2,726
KiwiSaver Contribution	5,544	4,438
Light Power & Heating	1,969	5,077
Management Fees	52,663	64,799
Motor Vehicle Expenses	8,821	6,231
Motor Vehicle Lease	15,958	17,842
Office Expenses	2,759	2,933
Postage & Courier Charges	1,995	1,607
Printing & Stationery	671	484
Rents	46,200	46,200
Rent - Plant & Equipment	76,563	82,823
Repairs & Maintenance	10,305	7,996
Staff Recruitment Expenses	18,324	41,770

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached Audit Report.*

ECU Worldwide New Zealand Limited

Notes to the Financial Statements

For the Year Ended 31st December 2019

Telephone, Tolls & Internet	9,868	9,886
Travel - National	485	716
Travel - International	4,427	(9,000)
Wages & Salaries	362,275	355,268
Non-Deductible penalties	500	430
	<u>738,685</u>	<u>769,823</u>

5. RELATED PARTY TRANSACTIONS

The ultimate parent company of ECU Worldwide New Zealand Limited is Ecuhold NV. During the year there have been freight forwarding services purchased and sold at market rates from other subsidiaries of Ecuhold NV. Management fees were also paid to Ecuhold NV and other subsidiaries. Settlement of outstanding balances is made around the 20th of the following month.

The amounts of the transactions are as follows:

	2019 \$	2018 \$
Management fees paid to:		
ECU International Far East	59,118	59,476
ECU Worldwide Australia	<u>52,663</u>	<u>64,799</u>
	<u>111,781</u>	<u>124,275</u>
Freight forwarding charged to fellow subsidiary companies:		
ECU Worldwide Antwerp	42,828	40,667
ECU Worldwide France	2,040	9,161
ECU Worldwide Germany	36,022	46,444
ECU Worldwide Italy	3,200	1,045
ECU Worldwide Rotterdam	4,886	8,250
ECU Worldwide Spain	6,820	1,299
ECU Worldwide Nordic A/S	13,310	-
ECU Worldwide Bulgaria	1,265	-
ECU Worldwide Czech Republic	3,038	2,174
ECU Worldwide Turkey	(203)	1,209
ECU Worldwide Switzerland	(623)	(679)
ECU Worldwide UK	36,925	57,266
ECU Logistics SA (Argentina)	141	-
ECU Worldwide de Panama SA	1,191	-
ECU Worldwide de Mexico SA	10,285	6,557
ECU Worldwide Canada	2,968	10,568
ECU Worldwide Middle East	3,622	6,157
ECU Line Cyprus	752	-
ECU Worldwide Australia	90,363	94,121
ECU Worldwide Guangzhou	421	-
ECU Worldwide Shenzhen	(572)	-
ECU Worldwide Hong Kong	25,013	75,621
ECU Worldwide Japan	725	759
ECU Worldwide Malaysia	1,250	6,894
ECU Worldwide Tokyo	565	-
ECU Worldwide Philippines	3,591	266
ECU Worldwide Singapore	74,682	95,716
ECU Worldwide Thailand	-	1,604
ECU Worldwide Xiamen	4,182	-
PT ECU Worldwide Indonesia	-	2,765
ECU Line Lanka (PVT) Ltd	1,076	-
ECU Worldwide Qingdao	3,089	4,741
ECU Worldwide Ningbo Branch Office	3,747	1,815
ECU Worldwide China (Shanghai)	2,393	880
ECU Worldwide Santos	120	661

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached Audit Report.*

ECU Worldwide New Zealand Limited

Notes to the Financial Statements

For the Year Ended 31st December 2019

ECU Worldwide Liban Sarl	108	-
ECU Worldwide South Africa	305	(459)
ECU Worldwide Philippines Davao	-	124
ECU Worldwide USA	94,623	49,071
Allcargo Logistics Limited	15,387	8,124
BT Forwarding	-	3,629
China Consolidation Services	-	(173)
Molax Line Limited	-	387
Prism Global Ltd	(2,646)	-
	<u>486,893</u>	<u>536,664</u>

Freight forwarding charged by fellow subsidiary companies:

ECU Worldwide Antwerp	70,208	83,658
ECUHOLD NV	225,000	-
ECU Worldwide France	30,982	18,454
ECU Worldwide Germany	62,505	73,720
ECU Worldwide Italy	9,622	8,372
ECU Worldwide Rotterdam	1,612	8,122
ECU Line Poland	1,042	-
ECU Worldwide Slovenia	460	-
ECU Worldwide Spain	7,159	5,648
ECU Line Portugal	(44)	-
ECU Czech	940	-
ECU Worldwide Turkey	5,351	3,226
ECU Worldwide UK	30,370	27,711
ECU Logistics SA (Argentina)	502	-
ECU Worldwide do Brasil	1,004	123
ECU Worldwide Santos	130	4,183
ECU Worldwide Chile	219	2,597
Prism Global	98,198	-
ECU Worldwide de Mexico SA	1,409	937
ECU Worldwide de Panama SA	4,662	-
ECU Worldwide Canada	12,742	20,850
ECU Worldwide Egypt	638	-
ECU Worldwide Middle East	334	-
ECU Worldwide Australia	268,916	299,653
ECU Worldwide Guangzhou	591	1,228
ECU Worldwide Shenzhen	4,220	-
ECU Worldwide Hong Kong	66,722	81,489
ECU Worldwide Japan	23,451	2,620
ECU Worldwide Malaysia	1,864	930
ECU Worldwide Korea	17,034	-
ECU Worldwide Philippines	-	320
ECU Worldwide Singapore	97,433	105,360
ECU Worldwide Thailand	321	2,110
PT ECU Worldwide Indonesia	367	12,012
ECU Worldwide Qingdao	551	4,302
ECU Worldwide Zhongshan	26	-
ECU Worldwide Ningbo Branch Office	340	32,476
ECU Worldwide China (Shanghai)	408	259
ECU Worldwide Liban Sarl	8,385	-
ECU Worldwide South Africa	1,705	-
ECU Worldwide USA	142,510	165,622

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached Audit Report.*

ECU Worldwide New Zealand Limited

Notes to the Financial Statements

For the Year Ended 31st December 2019

Molax Line Limited	-	3,369
Allcargo Logistics Limited	51,081	32,828
ECU Nordic	2,520	-
ECU Worldwide Baltics	898	-
ECU Worldwide Bangladesh	1,555	-
	<u>1,255,943</u>	<u>1,002,181</u>

2019

\$

2018

\$

The balances outstanding are as follows:

Amounts due from:

ECU Worldwide Australia	29,691	19,264
Allcargo Logistics Limited	3,876	5,582
ECU Worldwide Antwerp	5,538	8,130
ECU Worldwide Canada	4,641	5,612
ECU Worldwide Hong Kong	7,976	58,252
ECU Worldwide Shenzhen	-	1,294
ECU Worldwide UK	19,832	33,245
ECU Worldwide France	-	5,896
ECU Worldwide Germany	2,409	10,762
ECU Worldwide Italy	675	1,036
ECU Worldwide Liban Sarl	103	-
ECU Worldwide Malaysia	-	1,962
ECU Worldwide Rotterdam	281	2,195
ECU Worldwide Argentina	131	-
ECU Worldwide Peru	-	1,371
ECU Worldwide Philippines	1,772	59
ECU Worldwide Singapore	15,083	14,152
ECU Worldwide Spain	1,076	1,056
ECU Worldwide Turkey	-	203
ECU Logistics De Mexico	4,135	-
ECU Worldwide Middle East	561	651
ECU Worldwide Xiamen	1,080	30
ECU Worldwide Switzerland	-	623
ECU Worldwide Czech S.R.O.	2,205	-
ECU Worldwide Qingdao	89	88
ECU Worldwide Ningbo	-	220
ECU Worldwide Nordic	4,354	3,539
ECU Worldwide China Ltd	422	-
ECU Worldwide Tokyo	536	-
ECU Worldwide Lanka PVT	1,929	900
ECU Worldwide Pakistan PVT	-	266
ECU Worldwide USA	34,020	7,792
ECU Worldwide Santos	-	661
ECU Worldwide Polska SP	-	239
	<u>142,414</u>	<u>185,076</u>

2019

\$

2018

\$

The balances outstanding are as follows:

Amounts due to:

ECU Worldwide Australia	42,223	43,617
Allcargo Logistics Limited	8,877	(214)
ECU Worldwide Antwerp	1,415	2,590
ECU Worldwide USA	44,190	15,165
ECU Worldwide do Brasil	31	-
ECU Worldwide Canada	18	1,378

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached Audit Report.*

ECU Worldwide New Zealand Limited

Notes to the Financial Statements

For the Year Ended 31st December 2019

ECU Worldwide Guangzhou	(483)	-
ECU Worldwide Hong Kong	1,116	2,347
ECU Worldwide Chile	97	-
ECU Line Indonesia	348	-
ECU Worldwide Guangzhou, Shenzhen	806	-
ECU Worldwide UK	724	2,465
ECU Worldwide France	3,993	562
ECU Worldwide Germany	1,823	2,648
ECU Worldwide Italy	-	2,221
ECU Worldwide Japan	1,054	192
ECU Worldwide Malaysia	89	88
ECU Worldwide Korea	4,119	1,448
ECU Worldwide China	(452)	(196)
ECU Worldwide Nordic	850	-
ECU Worldwide Portugal	341	347
ECU Worldwide Polska SP. Z.O.O.	1,003	-
ECU Worldwide Singapore	2,484	2,746
ECU Worldwide Spain	144	-
ECU Worldwide Turkey	-	506
ECU Worldwide Liban Sarl	3,258	1,484
ECU Worldwide Santos	191	423
ECU-Line Portugal Abreu Carga E Transitos LDA	-	44
PT Ecu Worldwide Indonesia	233	-
ECU Worldwide Qingdao	-	129
ECU Worldwide Bangladesh	976	-
ECU Worldwide Ningbo	-	2,137
Prism Global Limited	995	-
	<u>120,462</u>	<u>82,126</u>

6. TAXATION

	2019	2018
	\$	\$
Operating profit before taxation	60,669	165,679
Prima facie income tax thereon at 28%	16,987	46,390
Tax effect of permanent differences	<u>526</u>	<u>4,992</u>
Income Tax Expense on Net Profit	<u>17,513</u>	<u>51,382</u>
The Taxation Charge is Represented by		
Current year tax	<u>17,513</u>	<u>51,382</u>
	<u>17,513</u>	<u>51,382</u>
Less		
RWT Paid	26	-
Provisional Tax paid	35,967	46,379
Terminal Tax paid	26,436	14,349
Income Tax Refunds Received	(28,544)	-
Imputation Credits Received	145	-
Outstanding from prior years	<u>2,186</u>	<u>(7,160)</u>
Total Tax to be Refunded	<u>(18,703)</u>	<u>(2,186)</u>

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached Audit Report.*

ECU Worldwide New Zealand Limited

Notes to the Financial Statements

For the Year Ended 31st December 2019

Permanent Differences

The following non-taxable items have been included in the calculation of Net Profit before Tax, and result in Permanent Differences, whose effect is included above.

	2019 \$	2018 \$
Non-Deductible Expenditure		
Non-Deductible Provision for Audit Fees	(5,520)	3,450
Non-Deductible Provision for Bad Debts	10,000	-
Non Deductible Entertainment	2,452	2,756
Non-Deductible Provision for Insurance	-	2,400
Non-Deductible Provision for Travel	-	(9,000)
Non-Deductible Holiday Pay & Bonuses	(5,553)	17,794
Non-Deductible penalties	500	430
Total	<u>1,879</u>	<u>17,829</u>

7. IMPUTATION CREDIT ACCOUNT

At balance date imputation credits available to the shareholders were

	2019 \$	2018 \$
Opening Balance	112,585	81,024
Payments to IRD	62,403	60,728
RWT credits attached to Interest income received	26	-
Imputation Credits Received	145	-
Income Tax Refunds Received	(28,544)	-
Imputation credits attached to Dividends paid	<u>(87,500)</u>	<u>(29,167)</u>
Closing Balance	<u>59,115</u>	<u>112,585</u>

8. CAPITAL EXPENDITURE COMMITMENTS

ECU Worldwide New Zealand Limited has made no capital commitments as at balance date (2018: Nil).

9. PROPERTY, PLANT & EQUIPMENT

	2019 \$	2018 \$
Furniture & Fittings		
At cost	60,739	60,739
Less accumulated depreciation	<u>(55,565)</u>	<u>(54,113)</u>
	<u>5,174</u>	<u>6,626</u>
Current year depreciation	1,452	1,692
Current year loss	<u>-</u>	<u>94</u>
	<u>1,452</u>	<u>1,786</u>
Office Equipment		
At cost	24,257	24,257
Less accumulated depreciation	<u>(20,036)</u>	<u>(19,642)</u>
	<u>4,221</u>	<u>4,615</u>
Current year depreciation	394	858
Current year loss	<u>-</u>	<u>8</u>
	<u>394</u>	<u>866</u>
Total Property, Plant & Equipment	<u>\$9,394</u>	<u>\$11,240</u>
Total Depreciation for the year	<u>\$1,846</u>	<u>\$2,652</u>

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached Audit Report.*

ECU Worldwide New Zealand Limited

Notes to the Financial Statements

For the Year Ended 31st December 2019

10. TRADE AND OTHER RECEIVABLES

	2019	2018
	\$	\$
Accounts Receivable	586,654	584,772
WIP Control	80,014	79,280
Prepayments	6,237	6,483
	<u>672,906</u>	<u>670,535</u>

11. TRADE AND OTHER PAYABLES

	2019	2018
	\$	\$
Accounts Payable	235,300	315,030
Accrued Expenses - Job Costing	165,485	202,142
Loan from Head Office	207,869	-
Loan from Australian Office	59,240	-
	<u>667,895</u>	<u>517,172</u>

12. PROVISIONS

	2019	2018
	\$	\$
<u>Current</u>		
Employee Benefits		
Provision for Holiday Pay		
- Opening Balance for the year	14,978	2,184
- Provisions added	27,929	26,437
- Provisions used	(22,482)	(13,643)
	<u>20,424</u>	<u>14,978</u>
Other Provisions		
Provision for Bad Debts		
- Provisions added	10,000	-
	<u>30,424</u>	<u>14,978</u>
Total Current Provisions	<u>30,424</u>	<u>14,978</u>
Total Provisions	<u>30,424</u>	<u>14,978</u>