



(Registration number 1996/006602/07)

Annual Financial Statements for the year ended 31 December 2023

#### **GENERAL INFORMATION**

Country of incorporation and domicile South Africa

Nature of business and principal activities 
International import and export of cargo containers

Directors SMN Mohamedhusein (Indian)

IC McAllister (South African) (resigned: 08/2023)

DL van Rooyen (South African) (appointed 01/07/2023)

**Registered office** First Floor, Block B

Southern Life Gardens 70 Second Avenue Newton Park Port Elizabeth

6055

Business address First Floor, Block B

Southern Life Gardens 70 Second Avenue Newton Park Port Elizabeth

6055

Postal address P.O. Box 7835

Newton Park Port Elizabeth

6055

Holding company Ecu Hold NV incorporated in Belgium

Ultimate holding company AllCargo Logistics Limited, incorporated in India

**Bankers** HSBC

Investec

Standard Bank

**Auditors** BDO South Africa Inc, Registered Auditors

Company registration number 1996/006602/07

Tax reference number 9278/486/84/1

**Level of assurance** These financial statements have been audited in

compliance with the applicable requirements of the

Companies Act 71 of 2008.

Preparer Robyn Steyn CA(SA), Nomads Consulting

Issued 20 March 2024

(Registration number 1996/006602/07)

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#### DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required by the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the financial position of the company as at the end of the financial year and the results of its operations and cash flows for the year then ended, in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Standard for Small and Mediumsized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

Based on the information and explanations given by management, the directors are of the opinion that the system of internal control provides reasonable assurance that the financial records may be relied upon for the preparation of the financial statements.

The directors have considered the company's current financial position and reviewed the cash flow forecast for the next 12 months. As a result, the directors are satisfied that the company has adequate resources to continue operating for the foreseeable future.

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The accounting officer is responsible for ensuring that the financial statements are in agreement with the accounting records, summarised in the manner required by Section 30 of the Companies Act 71 of 2008.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the external auditors and their report is presented on pages 4 to 5.

The annual financial statements set out on pages 1 to 25, prepared on a going concern basis, were approved by the directors on 20 March 2024 and was signed on its behalf by:

Director: Di van Rooyen



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# Independent Auditor's Report To the shareholder of ECU Worldwide South Africa Proprietary Limited

#### Opinion

We have audited the financial statements of ECU Worldwide South Africa Proprietary Limited (the company) set out on pages 7 to 25, which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of ECU Worldwide South Africa Proprietary Limited as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "ECU Worldwide South Africa Proprietary Limited Annual Financial Statements for the year ended 31 December 2023", which includes the Directors' Report as required by the Companies Act of South Africa and, the Detailed Income Statement on pages 26 to 27. 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.

Practice number: 905526 VAT number: 4910148685

Chief Executive Officer: LD Mokoena

A full list of all company directors is available on www.bdo.co.za



#### Responsibilities of the Directors for the Financial Statements

The directors responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors 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, the directors 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 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 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 scepticism 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 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 accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and
  whether the 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.

BDO South Africa Inc.
BDO South Africa Inc. (Mar 20, 2024 15:21 GMT+2)

**BDO South Africa Incorporated** Registered Auditors

**Siyabonga Mthembu** Director Registered Auditor

Date: 20 March 2024

106 Park Drive St Georges Park Gqeberha 6001

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Annual Financial Statements for the year ended 31 December 2023

#### **DIRECTORS' REPORT**

#### **BUSINESS AND OPERATIONS**

The principal business activity of the company is a logistic service to international business, importing and exporting cargo containers.

#### **FINANCIAL RESULTS**

The financial results for the year under review are clearly reflected in these financial statements. The company made a profit for the year of R1 797 185 (2022: R9 078 604).

#### **DIRECTORS**

Particulars of the present directors are given on page 1.

#### **HOLDING COMPANY**

The company's holding company is Ecu Hold NV, which holds 100% (2022: 100%) of the company's equity. Ecu Hold NV is a company incorporated in Belgium. The ultimate holding company is AllCargo Logistics Limited, incorporated in India.

#### **DIVIDENDS**

Dividends amounting to R 1 842 189 (2022: R nil) were declared and fully paid during the year.

#### SHARE CAPITAL

The authorised and issued share capital remained unchanged throughout the current and prior years.

#### **AUDITORS**

BDO South Africa Incorporated remain the appointed external auditors in accordance with Section 90 of the Companies Act 71 of 2008.

#### **GOING CONCERN**

The directors have satisfied themselves that the company is in a sound financial position and that it has adequate financial resources to continue operating in the foreseeable future, therefore the annual financial statements have been prepared on the going concern basis.

The directors are not aware of any new material changes that may adversely impact the company. In addition, the directors are not aware of any material non-compliance with statutory or regulatory requirements or any pending changes to legislation, which may impact the company.

#### **EVENTS SUBSEQUENT TO THE ACCOUNTING DATE**

Subsequent to year end, the directors declared dividends amounting to R9 482 691 on 26 February 2024. There are no other material facts or circumstances that occurred between the accounting date and the date of this report.

### STATEMENT OF FINANCIAL POSITION

	Note	2023 R	2022 R
ASSETS			
NON-CURRENT ASSETS		872 029	1 098 135
Property, plant and equipment	2.1	675 213	521 019
Intangible assets Deferred taxation	2.2 3	2 294 194 522	577 116
CURRENT ASSETS		43 856 884	54 899 744
Trade and other receivables	4	30 168 205	50 106 664
Current tax receivable Cash and cash equivalents	5	410 687 13 277 992	598 309 4 194 771
Casii and Casii equivalents	s l	13 211 992	4 194 771
TOTAL ASSETS		44 728 913	55 997 879
EQUITY AND LIABILITIES			
EQUITY	-	11 279 936	11 324 940
Share capital	6	100	100
Retained income	l	11 279 836	11 324 840
LIABILITIES			
CURRENT LIABILITIES		33 448 977	44 672 939
Trade and other payables	7	33 448 977	42 126 899
Loans from shareholder	9	-	2 546 040
TOTAL EQUITY AND LIABILITIES		44 728 913	55 997 879

### STATEMENT OF COMPREHENSIVE INCOME

	Note	2023 R	2022 R
Revenue	10	225 956 181	279 192 196
COST OF SALES		(187 940 843)	(233 874 875)
GROSS PROFIT	_	38 015 338	45 317 321
Other income		488 676	240 418
Administration expenses Selling and distribution expenses Operating expenses		(12 147 352) (1 116 550) (23 065 948)	(7 565 891) (1 616 235) (23 779 145)
Profit from operations	11	2 174 164	12 596 468
Investment revenue Finance charges	12	318 202 ( 38 590)	95 415 ( 49 503)
Profit before taxation		2 453 776	12 642 380
Taxation	13	( 656 591)	(3 563 776)
PROFIT FOR THE YEAR	-	1 797 185	9 078 604

### STATEMENT OF CHANGES IN EQUITY

	Note	Share Capital R	Retained income R	Total R
Balance at 1 January 2022		100	2 246 236	2 246 336
Profit for the year	-	-	9 078 604	9 078 604
Balance at 31 December 2022		100	11 324 840	11 324 940
Profit for the year		-	1 797 185	1 797 185
Dividends	15	-	(1 842 189)	(1 842 189)
Balance at 31 December 2023	6	100	11 279 836	11 279 936

### **STATEMENT OF CASH FLOWS**

	Note	2023 R	2022 R
CASH FLOWS FROM OPERATING ACTIVITIES		12 088 980	( 583 096)
Cash receipts from customers Cash paid to suppliers and employees		317 134 344 (303 369 606)	339 731 157 (336 429 471)
Cash generated by operations Investment revenue Finance costs Dividends paid Taxation paid	14 12 15 16	13 764 738 283 420 ( 30 614) (1 842 189) ( 86 375)	3 301 686 95 415 ( 49 503) - (3 930 694)
CASH FLOWS FROM INVESTING ACTIVITIES		( 459 719)	( 334 337)
Additions to property, plant and equipment Proceeds from disposal of property, plant and equipment	2 2 & 11	( 528 038) 68 319	( 345 103) 10 766
CASH FLOWS FROM FINANCING ACTIVITIES ACTIVIT	IES	(2 546 040)	-
Repayment of loans from group companies	9	(2 546 040)	-
TOTAL CASH MOVEMENT FOR THE YEAR		9 083 221	( 917 433)
CASH AND CASH EQUIVALENTS at beginning of the year	5	4 194 771	5 112 204
CASH AND CASH EQUIVALENTS at end of the year	5	13 277 992	4 194 771

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#### **ACCOUNTING POLICIES**

#### 1. Basis of compilation

The financial statements of the company have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Companies Act 71 of 2008. The financial statements have been prepared on the historical cost basis and incorporate the accounting policies documented below. These accounting policies are consistent with the previous financial year.

The financial statements are presented in South African Rand.

#### 1.1 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met.

Items of property, plant and equipment are depreciated using the straight line basis at rates that will reduce the book values to estimated residual values over the anticipated useful lives of the assets concerned. The average useful lives used for this purpose are:

Motor vehicles: 10 years

Furniture and fixtures: 5 to 6 years

IT equipment: 3 years

Office equipment: 3 to 5 years

The assets' residual values, useful lives and depreciation methods are reviewed at each financial year end, and adjusted prospectively, if appropriate.

#### 1.2 Intangible assets

Intangible assets that are acquired by the company are stated at cost less accumulated amortisation and impairment losses. Amortisation is recognised in profit or loss on a straight-line basis, over 3 years.

#### 1.3 Impairment of assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired.

If the fair value less costs to sell of an asset or group of assets is estimated to be less than its carrying amount, the carry amount of the asset or group of assets is reduced to its fair value less costs to sell. An impairment loss is recognised immediately in profit and loss.

If an impairment loss subsequently reverses, the carrying amount of the asset or group of assets is increased to the revised estimate of it recoverable amount but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset or group of assets in prior years. A reversal of impairment is recognised immediately in profit or loss.

#### 1.4 Financial Instruments

#### Trade and other receivables

Trade and other receivables are initially measured at the transaction price including transaction costs. Subsequent to intial measurement, trade and other receivables are measured at amortised cost.

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Annual Financial Statements for the year ended 31 December 2023

#### **ACCOUNTING POLICIES**

#### 1.4 Financial Instruments (cont.)

#### Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost.

Cash in the statement of financial position comprises bank, cash on hand and short-term deposits with an original maturity date of three months or less.

For the purposes of the statement of cash flows, cash and cash equivalents comprises the cash balance as defined above, net of bank overdraft(s).

#### **Financial liabilities**

Financial liabilities comprise loans from shareholder and trade and other payables . These are measured at amortised cost using the effective interest rate method.

#### **Derecognition of financial instruments**

A financial instrument is derecognised when the company no longer controls the contractual rights or obligations that define financial instruments. This is normally when the cash attributable to the financial instrument passes to a third party.

#### Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported on the statement of financial position when there is a current enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### 1.5 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

#### 1.6 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and other taxes or duties. The company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The company has concluded that it is acting as principle in all of its revenue arrangements. The following specific recognition criteria must be met before revenue is recognised:

Revenue for services rendered relating to the import of goods is recognised upon the arrival of the goods at the cargo destination station.

Revenue for services rendered relating to the export of goods is recognised upon the departure of the goods at the cargo departure station.

#### 1.7 Investment revenue

Interest is recognised using the effective interest method and is included in profit before taxation in the statement of comprehensive income.

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#### **ACCOUNTING POLICIES**

#### 1.8 Leases

Leases are classified as operating leases, where substantially all the risks and rewards associated with ownership of the asset are not transferred from the lessor to the lessee.

Operating lease payments are recognised as an expense through profit and loss on a straight line basis over the lease term.

#### 1.9 Retirement benefit

#### **Defined contribution plans**

The policy is to provide retirement benefits for all its employees. Current contributions to relevant retirement benefit plans operated for employees are charged against profit or loss in the period to which they relate.

#### 1.10 Foreign exchange

#### Foreign currency balances

Monetary assets and liabilities denominated in foreign currencies are translated at the spot rate of exchange ruling at the reporting date. Gains and losses arising on translation are dealt with through profit and loss in the year in which they occur.

#### Foreign currency transactions

Transactions in foreign currency are accounted for at the spot rate of exchange ruling on the date of the transaction.

The functional currency is the South African Rand.

#### 1.11 Borrowing costs

Borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### **1.12 Taxes**

#### **Current tax assets and liabilities**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

#### Deferred tax assets and liabilities

Deferred tax is recognised on the differences between the carrying amount of the assets and liabilities in the financial statements and their corresponding tax bases (temporary differences). Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the taxable profits will be available against which the deductible temporary differences can be used.

The carrying amount of deferred tax assets is reviewed at reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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Annual Financial Statements for the year ended 31 December 2023

#### **ACCOUNTING POLICIES**

#### 1.12 Taxes (cont.)

#### Deferred tax assets and liabilities (cont.)

Deferred tax is calculated at the expected tax rates applicable to the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### Tax expenses

The income tax expense represents the sum of the tax charge on the current year taxable income and deferred taxation.

#### Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax except:

Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are stated with the amount of value added tax included.

The net amount of value added tax recoverable from / payable to the taxation authority is shown separately in the notes to the annual financial statements as part of trade and other receivables / trade and other payables.

#### 1.13 Dividends paid

Dividends are declared and paid after having been proposed by the directors and authorised by the shareholder and if the company is compliant with the liquidity and solvency ratios as required by the Companies Act 71 of 2008.

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Annual Financial Statements for the year ended 31 December 2023

#### **ACCOUNTING POLICIES**

#### 1.14 Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed.

The key assumptions, estimates and judgements concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities within the next financial year are discussed below:

#### Provision for doubtful debts

The provision for impairment losses on trade receivables is determined with reference to identified problematic debtors, debtors exceeding the set credit limits and debtors exceeding creditor terms. Due to the size of the trade receivables book and the risks associated with a widespread customer base, the provision is subject to significant uncertainty.

### Residual values and useful lives of property, plant and equipment

Residual values of property, plant and equipment are based on the nature of the assets, period of use and the historical experience. No changes were made to the residual values of property, plant and equipment, as management assessed that the estimated residual values determined in the prior year, remained appropriate.

The useful lives of property, plant and equipment are based on the historical experience and industry standards. No changes were made to the useful lives of property, plant and equipment, as management assessed that the estimated useful lives determined in the prior year remained appropriate.

#### Deferred tax assets

In the current year, deferred tax assets have been recognised. Management is of the view that it is probable that the taxable profits will be available against which the deductible temporary differences can be used given the company's profit history. Management is not aware of any material event that would adversely impact the company's profitability.

## **ECU WORLDWIDE SOUTH AFRICA (PTY) LTD** (Registration number 1996/006602/07)

Annual Financial Statements for the year ended 31 December 2023

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

						2023 R	2022 R
2.1	PROPERTY PLANT AND EQUIPMENT					T.	- IX
			2023			2022	
		Cost	Accumulated Depreciation	Net book value	Cost	Accumulated Depreciation	Net book value
	Furniture and fixtures	563 360	( 210 950)	352 410	390 081	( 190 637)	199 444
	Motor vehicles	139 900	( 139 900)	-	289 900	( 289 900)	•
	IT equipment	739 998	( 565 102)	174 896	1 118 504	( 796 929)	321 575
	Office equipment	549 747	( 401 840)	147 907	-	-	-
	Net book value	1 993 005	(1 317 792)	675 213	1 798 485	(1 277 466)	521 019
	Reconciled as follows - 2023						
		Opening balance	Transfers	Additions	Disposals	Depreciation	Total
	Furniture and fixtures Motor vehicles	199 444	( 9 204)	332 658	( 80 217)	( 90 271) -	352 410 -
	IT equipment Office Equipment	321 575 -	( 198 543) 201 571	145 540 49 840	( 6 138) -	( 87 538) ( 103 504)	174 896 147 907
		521 019	( 6 176)	528 038	( 86 355)	( 281 313)	675 213
	Reconciled as follows - 2022						
	Recondited as follows 2022		Opening balance	Additions	Disposals	Depreciation	Total
	Furniture and fixtures		172 845 13 990	66 898	( 3 635)	(36 664)	199 444
	Motor vehicles IT equipment		248 108	- 278 205	-	( 13 990) ( 204 738)	321 575
			434 943	345 103	( 3 635)	( 255 392)	521 019
2.1	INTANGIBLE ASSETS		101010	010100	(0000)	(200 002)	021010
	INTAINOIDEE AGGETG	Cost	2023 Accumulated Amortisation	Net book value	Cost	2022 Accumulated Amortisation	Net book value
	Software	80 799	( 78 505)	2 294	-	-	-
	Reconciled as follows - 2023						
	Software	Opening balance	<b>Transfers</b> 6 176	Additions -	Disposals -	Depreciation ( 3 882)	<b>Total</b> 2 294

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#### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

		2023	2022
		R	R
3.	DEFERRED TAX		
	Opening balance	577 116 ( 383 504)	696 001
	Deferred tax charge	( 382 594)	( 118 885)
	Closing balance	194 522	577 116
	Deferred tax comprises of the following:		
	Property, plant and equipment	( 1 189)	( 13 328)
	Prepayments	( 363 020)	( 111 373)
	Provisions	314 778	415 958
	Provision for doubtful debts	15 085	107 424
	Income received in advance	228 868	178 435
		194 522	577 116
4.	TRADE AND OTHER RECEIVABLES		
	Trade receivables	22 034 164	42 396 369
	Amounts owing by related parties	7 390 297	6 777 852
	Trade receivables - gross	29 424 461	49 174 221
	Provision for doubtful debts	( 93 115)	( 663 113)
	Trade receivables - net	29 331 346	48 511 108
	Deposits	162 680	161 680
	VAT	493 857	668 233
	Prepayments	47 434	412 492
	Other receivables	132 888	353 151
		30 168 205	50 106 664
		00 100 200	00 10

Trade receivables and amounts owing by related parties are non-interest bearing and are generally on 7-60 days' terms. VAT is non-interest bearing and funds are normally received within 30 days. Prepayments, deposits and other receivables are non-interest bearing and are generally on terms of less than 12 months.

The company is exposed to the risk of changes in exchange rates because the above-mentioned trade and other receivables include foreign currency denominated balances. The company only trades with recognised, creditworthy third parties. Receivable balances are monitored on an ongoing basis with the result that the company's risk exposure to bad debts is not significant. The maximum exposure is the carrying amount as disclosed above. There are no significant concentrations of credit risk within the company.

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#### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

		2023 R	2022 R
5.	CASH AND CASH EQUIVALENTS		
	Cash on hand	2 942	901
	Bank balances	13 275 050	4 193 870
		13 277 992	4 194 771

Cash and cash equivalents comprise of cash on hand, call deposits and cash balances with banks. Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one and seven days, depending on the immediate cash requirements of the company, and earn interest at the respective short-term deposit rates. The fair value of cash and short-term deposits is R 13 277 992 (2022: R 4 194 771).

The company manages its liquidity risk by ensuring it has adequate banking facilities and reserve borrowing capacity.

Standard	Bank	holds	the	following	securities:

Pledge notice deposit	230 000	230 000
Cession of book debts	Unrestricted	Unrestricted
Credit agreement facilities agreement	Unrestricted	Unrestricted
National Ports Authority (NPA) guarantee:		
The guarantee is necessary for the NPA in order for the		
company to submit cargo dues online. The agreement		
expires on 31 January 2030.	150 000	150 000
Standard Bank holds the following facilities:		
Overdraft	5,500,000	5,500,000
Forward exchange contracts	14,311,350	13,330,200
Guarantees by the bank (performance & financial)	150 000	150 000
SHARE CAPITAL		
Authorised:		

10 000

100

10 000

100

There has been no change in authorised or issued share capital in the current and prior year.

#### 7. TRADE AND OTHER PAYABLES

10 000 Ordinary shares of R1 each

100 Ordinary shares of R1 each

6.

Issued:

Trade payables	21 796 716	31 098 560
Amounts due to related parties	8 662 849	6 741 418
Bonus pay accrual	478 780	866 226
Leave pay accrual	687 063	930 998
Other payables	1 823 569	2 489 697
	33 448 977	42 126 899

Trade payables and amounts due to related parties are non-interest bearing and are generally on 60 days' terms. Other payables and accruals are non-interest bearing and have an average term of 30 days. Leave and bonus accruals are non-interest bearing and have no fixed terms of repayment. The company is exposed to the risk of changes in exchange rates because trade and other payables includes balances denominated in foreign currency.

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

			2023 R	2022 R
8.	SHAREHOLDER	S FOR DIVIDENDS		
	Shareholders for	dividends	-	-
	Dividends amoun	ting to R 1 842 182 (2022: R nil) were declared	and paid during the	year.
9.	LOANS FROM S	HAREHOLDER		
	Ecu Hold NV	_	-	2 546 040
		ly repaid in the current year. It was a short-teri red, interest-free and had no fixed terms of repa		ing company. The
10.	REVENUE			
	Export revenue Import revenue		46,313,483 179,642,698	60,680,734 218,511,462
		_	225 956 181	279 192 196
11.	DISCLOSABLE I	atable and foreign sales are zero-rated.		
	Profit from operat	tions is stated after:		
	(Profit)/loss on fo	-	118,673	1,041,636
	Amortisation of in	property, plant and equipment stangible assets	281,313 3,882	255,392 -
	Loss / (gain) from	n disposal of property, plant and equipment	18,036	(7,131)
	Directors' remur	neration Salary and bonuses	1,323,633	1,808,176
	ic wcallster.	Company contribution to provident fund	76,931	111,322
		Expense allowances	82,737	66,640
	DI yan Daayan	Other company contributions	34,177	58,564
	DL van Rooyen	Salary and bonuses  Company contribution to provident fund	1,048,846 95,085	-
		Expense allowances	84,010	-
		Other company contributions	55,804	-
		_	2 801 223	2 044 702
	Staff costs	<del>-</del>		
	Salary and wages	S	14,290,614	15,006,560
	• •	ution to provident fund	1,277,352	1,014,603
	Other staff costs	_	1,342,530	1,495,353
		<u> </u>	16 910 495	17 516 516
	Operating lease	charges		
	Premises		1,390,591	1,425,645
	Motor vehicles Equipment		29,929 141,108	39,180 167,443
	_ 4b	_		
			1 561 628	1 632 268

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Annual Financial Statements for the year ended 31 December 2023

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

			2023 R	2022 R
12.	INVE	STMENT REVENUE		
	Intere	est revenue	318 202	95 415
13.	TAX	ATION		
	13.1	Tax charge		
		South African normal tax		
		Current	273 997	3 444 891
		Deferred taxation - current period	382 594	118 885
			656 591	3 563 776
	13.2	Tax reconciliation		
		Accounting profit	2,453,776	12,642,380
		Standard tax charge at 27% (2022: 28%)	662,520	3,539,866
		Non-deductible expenditure	985	2 535
		Prior period adjustment	( 6 914)	21 375
		Change in rate		21 373
		Effective tax charge	656 591	3 563 776
14.	CASI	H GENERATED BY OPERATIONS		
		before taxation	2 453 776	12 642 380
	•	sted for:		
		eciation on property, plant and equipment	281 313	255 392
		tisation of intangible assets ( (gains) from disposal of property, plant and equipment	3 882 18 036	- ( 7 131)
		tment revenue	( 318 202)	( 95 415)
		debts write off	1 256 107	-
	Provi	sion for doubtful debts	( 422 489)	515 604
	Unre	alised foreign exchange loss on group loan	· -	155 880
	Finar	nce costs	38 590	49 503
		ge in working capital		
		e and other receivables	19 139 623	(5 914 598)
	Trade	e and other payables	(8 685 898)	(4 299 929)
			13 764 738	3 301 686
15.	DIVID	DENDS PAID		
	Amoı	unts payable at the beginning of period	-	-
		ends declared	(1 842 189)	-
	Amou	unt payable at the end of the year	- -	-
	Paid	during the year	(1 842 189)	-
		<del>-</del>		

Dividends amounting to R 18 422 (2022: R nil) per share was declared during the year.

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Annual Financial Statements for the year ended 31 December 2023

#### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

		2023	2022
		R	R
16.	TAXATION PAID		
	Balance at the beginning of the year	598 309	112 506
	Amounts charged to profit or loss	( 273 997)	(3 444 891)
	Balance at the end of the year	( 410 687)	( 598 309)
	Paid during the year	( 86 375)	(3 930 694)
17.	KEY MANAGEMENT PERSONNEL		
	Total costs for key management personnel	3 812 875	3 321 973
	Costs transferred to other group companies	(1 011 652)	(1 277 271)
	Costs incurred by the company	2 801 223	2 044 702

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any directors (whether executive or otherwise) of the company.

#### 18. AUDITOR'S REMUNERATION

Fees	281,275	230,000
	281 275	230 000

#### 19. EMPLOYMENT BENEFITS

The company has a defined contribution provident fund with Sanlam for all employees who are permanent, contracted, salaried employees. The fund is financed by company contributions and is governed by the Pension Fund Act of 1956.

The monthly contributions towards the Provident Fund are 13% of the employee's gross salary and the payment will be split between the company (8%) and the employee (5%). There are 36 (2022: 38) members that contribute to the fund. The total contributions recognised as an expense during the year amounts to R 1 239 711 (2022: R 1 125 925).

#### 20. COMMITMENTS UNDER OPERATING LEASES

The company has operating leases for the lease of premises and equipment for which the future minimum lease payments as follows:

### Minimum lease payments due

Within one year	1 268 236	1 209 265
Two to five years	1 821 178	3 089 630
	3 089 414	4 298 895

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#### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2023	2022
R	R

#### 21. CATEGORIES OF FINANCIAL INSTRUMENTS

Financial assets at amortised cost	Financial liabilities at amortised cost	Non-financial instruments	Total
29 626 914	-	541 291	30 168 205
13 277 992	-	-	13 277 992
-	(32 283 134)	(1 165 843)	(33 448 977)
42 904 906	(32 283 134)	( 624 552)	9 997 220
Financial assets at amortised cost	Financial liabilities at amortised cost	Non-financial instruments	Total
49 025 939	-	1 080 725	50 106 664
4 194 771	-	-	4 194 771
-	(40 329 675)	(1 797 224)	(42 126 899)
	(2 546 040)		(2 546 040)
53 220 710	(42 875 715)	( 716 499)	9 628 496
	assets at amortised cost  29 626 914 13 277 992 - 42 904 906  Financial assets at amortised cost  49 025 939 4 194 771	assets at amortised cost  29 626 914 13 277 992 - (32 283 134)  42 904 906  Financial assets at amortised cost  49 025 939 4 194 771 - (40 329 675) - (2 546 040)	assets at amortised cost         liabilities at amortised cost         instruments           29 626 914         -         541 291           13 277 992         -         -           -         (32 283 134)         (1 165 843)           42 904 906         (32 283 134)         (624 552)           Financial assets at amortised cost         Non-financial instruments           49 025 939         -         1 080 725           4 194 771         -         -           -         (40 329 675)         (1 797 224)           -         (2 546 040)         -

### 22. EVENTS SUBSEQUENT TO THE ACCOUNTING DATE

Subsequent to year end, the directors declared dividends amounting to R9 482 691 on 26 February 2024. There are no other material facts or circumstances that occurred between the accounting date and the date of this report.

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Annual Financial Statements for the year ended 31 December 2023

#### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2023	2022
R	R

#### 23. RELATED PARTIES

#### Holding company and ultimate holding company

Ecu Hold NV, a company incorporated in Belgium, owns 100% of the company's shares. The ultimate parent of the group is AllCargo Logistics Limited.

The terms and conditions of the above transactions and balances are the same was with 3rd parties and as disclosed in related note.

Sale of services	(34 058 256)	(29 820 694)
Purchase of services	51 783 709	63 879 181
Trade receivables	5 818 939	5 015 731
Trade payables	(8 049 012)	(6 141 891)
Management Fee	7 232 616	3 243 797
Loan payable	-	(2 546 040)

#### Transactions and balance with the ultimate holding company

Sale of services	(9 648 924)	(15 152 754)
Purchase of services	6 864 666	15 220 859
Trade receivables	1 330 573	1 619 282
Trade payables	( 529 894)	( 311 939)

#### Other related parties

Other related parites are entities that form part of the ultimate holding company's group and are considered sister companies.

#### Transactions and balance with the other related parties

Sale of services	( 845 955)	( 901 246)
Purchase of services	2 875 645	3 289 332
Increase in provision for doubtful debts	-	515 604
Trade receivables	240 784	142 839
Trade payables	( 83 944)	( 287 588)

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Annual Financial Statements for the year ended 31 December 2023

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2023	2022
R	R

### 23. RELATED PARTIES (continued)

The list below includes all entities classified as other related parties with which transactions took place and/or balances existed in 2023.

and/or balances existed if	11 2020.		
Allcargo Ahmedabad	FMA - Line Holding N.V.	Ecu Worldwide (Japan) Ltd.	Ecu Worldwide Korea Co., Ltd
Allcargo Hong Kong Ltd	HCL Logistics NV	Ecu Worldwide (Kenya) Ltd	Ecu Worldwide Lanka (Pvt) Ltd.
Allcargo Kolkata	Nordicon Denmark	Ecu Worldwide (Malaysia) Sdn Bhd	Ecu Worldwide Logistics Do Brazil Ltda
Allcargo New Delhi	Nordicon Norway	Ecu Worldwide (Mauritius) Ltd.	Ecu Worldwide Mexico, Sa De Cv
Ecu - Line Abu Dhabi LLC	PT. Ecu Worldwide Indonesia	Ecu Worldwide (Morocco)	Ecu Worldwide Nanjingc/O O Nanjing Han Line Logistics Co. Lt
Ecu - Line Doha WLL	PT. Ecu Worldwide Indonesia Semerang	Ecu Worldwide (Netherlands) B.V.	Ecu Worldwide New Zealand Ltd.
Ecu - Line Dubai	Ecu Worldwide (Argentina) Sa	Ecu Worldwide (Philippines) Inc.	Ecu Worldwide Peru S.A.C.
Ecu - Line Middle East LLC	Ecu Worldwide (Bd) Ltd	Ecu Worldwide (Poland) Sp Zoo	Ecu Worldwide Slovenia C/O Intereuropa D.D.
Ecu - Line Nordic Sweden AB	Ecu Worldwide (Belgium) N.V.	Ecu Worldwide (Singapore) Pte. Ltd.	Ecu Worldwide Tianjin Ltd.
Ecu - line Panama S.A.	Ecu Worldwide (Canada) Inc.	Ecu Worldwide (Thailand) Co. Ltd.	Ecu Worldwide Turkey Tasimacilik Ltd Sirketi
Ecu - Line Peru Sa	Ecu Worldwide (Chile) S.A.	Ecu Worldwide (Uk) Ltd.	Ecu Worldwide Vietnam Co. Ltd
Ecu - Line Saudi Arabia LLC	Ecu Worldwide (Colombia) S.A.	Ecu Worldwide (Uruguay) S.A.	Société Ecu-Line Tunisie SARL
Ecu - Line Spain S.L.	Ecu Worldwide (Cote d'Ivoire) SARL	Ecu Worldwide (Usa), Inc.	
Ecu International N.V	Ecu Worldwide (Cyprus) Ltd.	Ecu Worldwide Australia Pty Ltd	
Ecu Miami	Ecu Worldwide (Cz) S.R.O.	Ecu Worldwide Baltics	
Ecu Port Kelang	Ecu Worldwide (Ecuador) S.A.	Ecu Worldwide Bulgaria Ltd.	
Ecu Tunis	Ecu Worldwide (El Salvador) S.P. Z.O.O. S.A.	Ecu Worldwide Cee S.R.L.	
Elwa Ghana Ltd.	Ecu Worldwide (Germany) Gmbh	Ecu Worldwide China Ltd.	
FCL Marine Agencies B.V.	Ecu Worldwide (Guangzhou) Limited	Ecu Worldwide France Sa	
FCL Marine Agencies Gmbh	Ecu Worldwide (Hong Kong) Limited	Ecu Worldwide Italy Srl.	

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Annual Financial Statements for the year ended 31 December 2023

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2023	2022
R	R

### 23. RELATED PARTIES (continued)

The list below includes all entities classified as other related parties with which transactions took place and/or balances existed in 2022.

Allcargo Ahmedabad	FMA - Line Holding N.V.	Ecu Worldwide (Japan) Ltd.	Ecu Worldwide Korea Co., Ltd
Allcargo Hong Kong Ltd	HCL Logistics NV	Ecu Worldwide (Kenya) Ltd	Ecu Worldwide Lanka (Pvt) Ltd.
Allcargo Kolkata	Nordicon Denmark	Ecu Worldwide (Malaysia) Sdn Bhd	Ecu Worldwide Logistics Do Brazil Ltda
Allcargo New Delhi	Nordicon Norway	Ecu Worldwide (Mauritius) Ltd.	Ecu Worldwide Mexico, Sa De Cv
Ecu - Line Abu Dhabi LLC	PT. Ecu Worldwide Indonesia	Ecu Worldwide (Morocco)	Ecu Worldwide Nanjingc/O O Nanjing Han Line Logistics Co.
Ecu - Line Doha WLL	PT. Ecu Worldwide Indonesia Semerang	Ecu Worldwide (Netherlands) B.V.	Ecu Worldwide New Zealand Ltd.
Ecu - Line Dubai	Ecu Worldwide (Argentina) Sa	Ecu Worldwide (Philippines)	Ecu Worldwide Peru S.A.C.
Ecu - Line Middle East LLC	Ecu Worldwide (Bd) Ltd	Ecu Worldwide (Poland) Sp Zoo	Ecu Worldwide Slovenia C/O Intereuropa D.D.
Ecu - Line Nordic Sweden AB	Ecu Worldwide (Belgium) N.V.	Ecu Worldwide (Singapore) Pte. Ltd.	Ecu Worldwide Tianjin Ltd.
Ecu - line Panama S.A.	Ecu Worldwide (Canada) Inc.	Ecu Worldwide (Thailand) Co. Ltd.	Ecu Worldwide Turkey Tasimacilik Ltd Sirketi
Ecu - Line Peru Sa	Ecu Worldwide (Chile) S.A.	Ecu Worldwide (Uk) Ltd.	Ecu Worldwide Vietnam Co. Ltd
Ecu - Line Saudi Arabia LLC	Ecu Worldwide (Colombia) S.A.	Ecu Worldwide (Uruguay) S.A.	Société Ecu-Line Tunisie SARL
Ecu - Line Spain S.L.	Ecu Worldwide (Cote d'Ivoire) SARL	Ecu Worldwide (Usa), Inc.	
Ecu International N.V	Ecu Worldwide (Cyprus) Ltd.	Ecu Worldwide Australia Pty Ltd	
Ecu Miami	Ecu Worldwide (Cz) S.R.O.	Ecu Worldwide Baltics	
Ecu Port Kelang	Ecu Worldwide (Ecuador) S.A.	Ecu Worldwide Bulgaria Ltd.	
Ecu Tunis	Ecu Worldwide (El Salvador) S.P. Z.O.O. S.A. De C.V.	Ecu Worldwide Cee S.R.L.	
Elwa Ghana Ltd.	Ecu Worldwide (Germany) Gmbh	Ecu Worldwide China Ltd.	
FCL Marine Agencies B.V.	Ecu Worldwide (Guangzhou) Limited	Ecu Worldwide France Sa	
FCL Marine Agencies Gmbh	Ecu Worldwide (Hong Kong) Limited	Ecu Worldwide Italy Srl.	

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Annual Financial Statements for the year ended 31 December 2023

### **DETAILED INCOME STATEMENT**

	2023	2022
	R	R
Revenue		
Rendering of services	225,956,181	279,192,196
Cost of sales Purchases	(187,940,843)	(233,874,875)
Gross profit	38,015,338	45,317,321
Other income		
Sundry Income	488,676	233,287
Gain on disposal of property, plant and equipment	-	7,131
Investment income	318,202	95,415
	38,822,216	45,653,154
Expenses	(36,329,850)	(32,961,271)
Operating profit	2,492,366	12,691,883
Finance costs	(38,590)	(49,503)
Profit before taxation	2,453,776	12,642,380
Taxation	(656,591)	(3,563,776)
Profit for the year	1,797,185	9,078,604

This schedule does not form part of the financial statements and is unaudited.

### **DETAILED INCOME STATEMENT**

	2023	2022
	R	R
Operating expenses		
Advertising	72,338	113,149
Amortisation of intangible assets	3,882	-
Auditors remuneration	281,275	230,000
Bad debts	1,256,107	14
Bank charges	319,069	254,590
Change in provision for doubtful debts	(422,489)	742,801
Cleaning	-	104,573
Consulting fees	2,589,876	2,260,117
Courier services	162,285	143,165
Depreciation on property, plant and equipment	281,313	255,392
Donations	3,648	9,055
Electricity and water	256,018	249,527
Employee costs - Directors' salary, bonus & expense allowance	2,257,673	1,874,816
Employee costs - Medical aid contributions	959,412	907,394
Employee costs - Other	469,485	313,428
Employee costs - Pension fund contributions	1,239,711	1,125,925
Employee costs - Staff salaries and bonuses	14,662,148	15,006,560
Employee costs - Training	(86,366)	74,400
Employee costs - UIF and SDL	209,656	258,695
Entertainment	197,809	231,716
General expenses	457,960	168,906
Insurance	194,682	330,300
Lease rentals on operating lease	1,561,628	1,632,268
Legal expenses	78,152	11,586.00
Loss on exchange differences	118,673	1,041,636
Loss on disposal of property, plant and equipment	18,036	-
Management fee	7,232,616	3,243,797
Motor vehicle expenses	389,527	442,894
Office and computer supplies	176,812	134,316
Repairs and maintenance	209,819	111,147
Subscriptions	70,234	26,919
Telephone and fax	844,199	1,016,054
Travel - local	-	432,538
Travel - overseas	264,662	213,593
<del>-</del>	36,329,850	32,961,271

This schedule does not form part of the financial statements and is unaudited.