



**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 8<sup>th</sup> 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, 2020 and 2019 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, 2020 and 2019 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. 2581506 issued on 01/12/2021, 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, 2020

Accounts	Notes	DEC.31,2020		DEC.31,2019	
		Financial Position		Financial Position	
		Local	Eur	Local	Eur
Cash & equivalents	3	10,393,614	176,608	10,987,174	193,462
Accounts receivable		114,363,331	1,943,262	101,748,098	1,791,581
Deposits	4	4,170,525	70,866	5,568,204	98,045
Prepayment & advances		1,433,800	24,363	2,406,266	42,370
Property & equipment - net	5	1,824,934	31,009	3,947,486	69,507
<b>TOTAL ASSETS</b>		<b>132,186,203</b>	2,246,108	<b>124,657,228</b>	2,194,964
Accounts payable - trade		51,061,164	867,631	43,924,220	773,418
Accounts payable - non trade	6	25,002,263	424,838	29,491,178	519,281
Accrued expenses		1,647,681	27,997	300,849	5,297
<b>Total Liabilities</b>		<b>77,711,109</b>	1,320,467	<b>73,716,247</b>	1,297,996
Share capital		10,000,000	169,920	10,000,000	176,080
Profit after tax for the period		3,534,113	60,052	4,833,463	85,108
Retained earnings, end.		44,475,095	755,721	40,940,981	720,889
<b>Total Shareholders Equity</b>	7	<b>54,475,095</b>	925,641	<b>50,940,981</b>	896,969
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>132,186,203</b>	2,246,108	<b>124,657,228</b>	2,194,964

**ECU WORLDWIDE (PHILIPPINES), INC.**  
**CONSOLIDATED STATEMENTS OF TOTAL COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>2020</b>			<b>2019</b>		
	<b>Financial Performance</b>			<b>Financial Performance</b>		
	<b>Local</b>	<b>Eur</b>	<b>%</b>	<b>Local</b>	<b>Eur</b>	<b>%</b>
<b>Gross revenue:</b>						
Operational revenue	608,221,652	10,760,049		541,788,947	9,358,862	
Other revenue (loss)	(45,567)	(806)		2	0	
<b>Total gross revenue</b>	<b>608,176,084</b>	<b>10,759,243</b>	<b>100.00%</b>	<b>541,788,949</b>	<b>9,358,862</b>	<b>100.00%</b>
Less Operational cost	538,792,233	9,531,773	88.59%	470,251,409	8,123,123	86.80%
<b>Gross profit</b>	<b>69,383,851</b>	<b>1,227,470</b>	<b>11.41%</b>	<b>71,537,540</b>	<b>1,235,739</b>	<b>13.20%</b>
Less General & administrative exp	63,590,461	1,124,979	10.46%	64,859,578	1,120,384	11.97%
<b>Profit from operating activities</b>	<b>5,793,390</b>	<b>102,491</b>	<b>0.95%</b>	<b>6,677,962</b>	<b>115,355</b>	<b>1.23%</b>
Less Other charges (income)	744,657	13,174	0.12%	(226,985)	(3,921)	-0.04%
<b>Profit before income tax</b>	<b>5,048,733</b>	<b>89,317</b>	<b>0.83%</b>	<b>6,904,947</b>	<b>119,276</b>	<b>1.27%</b>
Less Income tax	1,514,620	26,795	0.25%	2,071,484	35,783	0.38%
<b>Profit for the year from operations</b>	<b>3,534,113</b>	<b>62,522</b>	<b>0.58%</b>	<b>4,833,463</b>	<b>83,493</b>	<b>0.89%</b>

**ECU WORLDWIDE (PHILIPPINES), INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED DECEMBER**  
**31, 2020**

31, 2020

		2020		2019	
3	Cash & equivalents				
		Dec31.2020		Dec31.2019	
		Local	Eur	Local	Eur
A-IX. A. Cash (Main Cash and Petty Cash) Balance		20,899	355	53,611	944
A-IX. A. Petty Cash		13,953	237	20,353	358
A-IX. A. China Trust Bank Cebu - Manilla (PHP)		355,793	6,046	2,855,652	50,282
A-IX. A. BANK OF THE PHILIPPINE ISLANDS - Manilla (PHP)		2,278,948	38,724	1,800,032	31,695
A-IX. A. China Trust Bank Cebu - Cebu (PHP)		0	0	0	0
A-IX. A. China Trust Bank Cebu - Manilla (USD)		452,649	7,691	125,220	2,205
A-IX. A .UnionBank of the Philippines		7,271,372	123,555	6,132,305	107,978
		10,393,614	176,608	10,987,174	193,462

<b>4</b>	<b>Deposits</b>	<b>Local</b>	<b>Eur</b>	<b>Local</b>	<b>Eur</b>
	Guarantees given	<b>4,482,541</b>	76,167	<b>4,418,374</b>	77,799
	Container Deposits EST COST	<b>205,722</b>	3,496	<b>1,149,822</b>	20,246
	Container Deposits ACT COST	<b>14,198,881</b>	241,267	<b>10,054,032</b>	177,031
	Container Deposits ACT REV	<b>(14,716,620)</b>	(250,065)	<b>(10,054,025)</b>	(177,031)
		<b>4,170,525</b>	<b>70,866</b>	<b>5,568,204</b>	<b>98,045</b>

<b>5</b>	<b>Property &amp; equipment</b>				
		<b>Dec31.2020</b>		<b>Dec31.2019</b>	
		<b>Local</b>	<b>Eur</b>	<b>Local</b>	<b>Eur</b>
Cost :					
	Office Equipment, Furnitures & Fixtures	<b>7,836,279</b>	133,154	<b>7,793,909</b>	137,235
	Transportation equipment	<b>5,401,841</b>	91,788	<b>5,401,841</b>	95,116
	Leasing and other Similar rights	<b>6,290,402</b>	106,887	<b>6,290,402</b>	110,761
	Total at cost	<b>19,528,523</b>	<b>331,829</b>	<b>19,486,152</b>	343,112
Accumulated depreciation:					
	Accum. Dep. - Office Equipment, Furniture & Fix	<b>7,126,067</b>	121,086	<b>6,382,995</b>	112,392
	Accum. Dep. - Transportation equipment	<b>4,571,402</b>	77,677	<b>4,286,680</b>	75,480
	ACCUM.-DEP. LEASEHOLD AT COST	<b>6,006,120</b>	102,056	<b>4,868,991</b>	85,733
	Total accum.depn.	<b>17,703,589</b>	<b>300,819</b>	<b>15,538,666</b>	273,605
Net book value:					
	Furnitures & Fixtures	<b>710,212</b>	12,068	<b>1,410,913</b>	24,843
	Office Equipment	<b>0</b>	0	<b>0</b>	0
	Transportation equipment	<b>830,439</b>	14,111	<b>1,115,161</b>	19,636
	Leasehold Improvements	<b>284,282</b>	4,831	<b>1,421,411</b>	25,028

<b>Net value</b>		<b>1,824,934</b>	<b>31,009</b>	<b>3,947,486</b>	<b>69,507</b>
		<b>Dec31.2020</b>		<b>Dec31.2019</b>	
		<b>Local</b>	<b>Eur</b>	<b>Local</b>	<b>Eur</b>
<b>6</b>	<b>Accounts payable-non trade</b>				
	Staff related - SSS, etc.	<b>2,969,687</b>	50,461	<b>1,117,706</b>	19,681
	Income and other taxes	<b>809,462</b>	13,754	<b>692,575</b>	12,195
	Other payables	<b>21,223,114</b>	360,623	<b>27,680,897</b>	487,405
		<b>25,002,263</b>	<b>424,838</b>	<b>29,491,178</b>	<b>519,281</b>

<b>7</b>	<b>Shareholders Equity</b>				
		<b>As at December 31, 2020</b>		<b>As at December 31, 2019</b>	
		<b>Local</b>	<b>Eur</b>	<b>Local</b>	<b>Eur</b>
	Share capital beginning	<b>10,000,000</b>	169,920	<b>10,000,000</b>	176,080
	Additional paid-in capital				
	From Cash paid-in				
	From Retained earnings				
	<b>Share capital ending</b>	<b>10,000,000</b>	169,920	<b>10,000,000</b>	176,080
	<b>Retained earnings beginning</b>	<b>40,940,981</b>	695,669	<b>36,107,519</b>	635,781
	<b>Distributed earnings</b>	<b>0</b>		<b>0</b>	
	Net income for the period	<b>3,534,113</b>	60,052	<b>4,833,463</b>	85,108
	<b>Retained earnings ending</b>	<b>44,475,095</b>	755,721	<b>40,940,981</b>	720,889
	<b>Shareholders Equity - ending</b>	<b>54,475,095</b>	<b>925,641</b>	<b>50,940,981</b>	<b>896,969</b>