



RPL ACCOUNTANTS LTD

Chartered Accountants &
Business Consultants

ECU Worldwide New Zealand Limited

Financial Statements for the Year Ended 31 December 2017

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Directors

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ECU Worldwide New Zealand Limited

Company Directory

As at 31st December 2017

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		
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	<u>100</u> <u>100</u>	Ordinary Shares

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of ECU Worldwide New Zealand Limited

Report on the Financial Statements

Opinion

We have audited the special purpose financial statements of ECU Worldwide New Zealand Limited (the Company), on pages 5 to 14 which comprises the balance sheet as at 31 December 2017, statement of profit or loss, statement of changes in equity for the year then ended and notes to the financial statements, including summary of significant accounting policies.

In our opinion, the accompanying financial statements presents fairly, in all material respects:

- the financial position of the Company as at December 31, 2017 and
- the financial performance for the year then ended

in accordance with Special Purpose Financial Reporting (SPFR) Framework issued by the New Zealand Institute of Chartered Accountants.

Basis for Opinion

We conducted our audit of the statement of profit and loss, statement of changes in equity, balance sheet and notes to the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). 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 Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Company.

Directors' Responsibilities for the Financial Statements

Directors are responsible on behalf of the entity for:

- a) The preparation and fair presentation of the financial statements which comprises of the statement of profit and loss, balance sheet, statement of changes in equity, statement of accounting policies and notes to the financial statements in accordance with Special

Purpose Financial Reporting framework issued by the New Zealand Institute of Chartered Accountants, and

- b) For such internal control as the Directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible on behalf of the Company 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 Directors either intends 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 (NZ) 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 (NZ), 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the directors 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 represents 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.

Lynch & Associates Ltd

Lynch & Associates Limited
Parnell, Auckland
Monday, 26 March 2018

ECU Worldwide New Zealand Limited

Statement of Profit or Loss

For the Year Ended 31st December 2017

	Note	2017 \$	2016 \$
Sales		4,594,795	4,599,374
Cost of Sales		(3,466,146)	(3,336,053)
GROSS PROFIT		1,128,649	1,263,322
Other Operating Income	5	223	683
Depreciation		(3,187)	(2,537)
Finance Costs		(70)	(2,101)
Other Operating Costs	5	(851,571)	(901,751)
PROFIT BEFORE INCOME TAX		274,044	357,616
Income Tax Expense	7	(76,545)	(99,277)
EXTRAORDINARY ITEMS			
Prior Year Adjustment		-	(2,589)
NET PROFIT/(LOSS)		\$197,499	\$260,928

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 2017

	<i>Note</i>	2017 \$	2016 \$
EQUITY AT START OF YEAR		239,042	178,114
PROFIT & REVALUATIONS			
Profit after Tax		197,499	260,928
Total Recognised Incomes & Expenses		197,499	260,928
OTHER MOVEMENTS			
Distribution to owners		(250,000)	(200,000)
EQUITY AT END OF YEAR		<u>\$186,541</u>	<u>\$239,042</u>
 MOVEMENTS IN RETAINED EARNINGS			
Retained Earnings at start of year		238,942	178,014
Net Profit		197,499	260,928
Dividends Paid		(250,000)	(200,000)
Retained Earnings at End of Year		186,441	238,942
 MOVEMENTS IN ISSUED CAPITAL			
Balance at Start of Year		100	100
Balance at End of Year		100	100
		<u>\$186,541</u>	<u>\$239,042</u>

The accompanying notes form part of these financial statements.
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ECU Worldwide New Zealand Limited

Balance Sheet

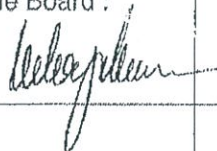
As at 31st December 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents		72,943	163,073
Trade and other receivables	11	<u>565,220</u>	<u>567,906</u>
Total Current Assets		638,164	730,979
NON-CURRENT ASSETS			
Property, plant & equipment	10	<u>13,892</u>	<u>11,380</u>
Total Non-Current Assets		13,892	11,380
TOTAL ASSETS		652,056	742,358
CURRENT LIABILITIES			
GST due for payment		21,709	33,175
Income tax payable	7	7,160	15,695
Trade and other payables	12	434,463	425,291
Employee benefits	13	<u>2,184</u>	<u>29,155</u>
Total Current Liabilities		465,515	503,316
TOTAL LIABILITIES		465,515	503,316
NET ASSETS		<u>\$186,541</u>	<u>\$239,042</u>
EQUITY			
Share capital		100	100
Retained Earnings		<u>186,441</u>	<u>238,942</u>
TOTAL EQUITY		<u>\$186,541</u>	<u>\$239,042</u>

Represented by:

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



23 March 2018

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 2017

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 company 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 2017

(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.

(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 (2016:\$0). ECU Worldwide New Zealand Limited has not granted any securities in respect of liabilities payable by any other party whatsoever.

4. **EXCEPTIONAL ITEMS**

The following exceptional items were included in the Statement of Profit & Loss for the period:

	2017 \$	2016 \$
Prior Year Adjustment	-	2,589

5. **ADDITIONAL INFORMATION**

	2017 \$	2016 \$
<u>Income</u>		
Interest Received	223	683
	<u>223</u>	<u>683</u>

Expenses

Accident Compensation Levy	1,089	782
Accountancy Fees	11,700	11,700
Advertising	202	1,365
Audit Fees	12,000	8,700
Bank Charges	3,739	3,820
Computer Expenses	5,427	7,058
Customs Fees	22,167	27,398
ECUHOLD Fees	56,587	55,245
Entertainment Expenses	9,783	11,979
Exchange Rate Variation	32,551	49,386
Fringe Benefit Taxation	7,136	7,396
GST on FBT	1,889	1,959
Insurance	4,704	5,745
KiwiSaver Contribution	4,923	6,800
Light Power & Heating	6,004	6,311
Management Fees	64,528	79,241
Motor Vehicle Expenses	7,574	7,797
Motor Vehicle Lease	13,013	13,964
Office Expenses	5,439	3,966
Postage & Courier Charges	1,494	1,745
Printing & Stationery	938	2,355

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 2017

Rents	47,597	51,966
Rent - Plant & Equipment	55,811	56,599
Repairs & Maintenance	11,943	5,253
Staff Recruitment Expenses	17,024	848
Staff Training	-	420
Subscriptions	-	167
Telephone, Tolls & Internet	12,598	11,553
Travel - National	504	1,957
Travel - International	12,941	1,651
Wages & Salaries	419,126	456,625
Non-Deductible penalties	1,142	-
	<u>851,571</u>	<u>901,751</u>

6. 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:

	2017 \$	2016 \$
Management fees paid to:		
ECU International Far East	56,587	55,245
ECU Line Australia	64,528	79,241
	<u>121,115</u>	<u>134,486</u>
Freight forwarding charged to fellow subsidiary companies:		
ECU Line NV	55,933	51,941
ECU Line France	6,344	7,241
ECU Line Germany	34,425	50,320
ECU Line Italy	3,522	2,838
ECU Line Rotterdam	4,345	8,149
ECU Line Spain	387	-
ECU Line Poland	78	-
ECU Line Czech Republic	642	1,299
ECU Line Turkey	177	2,620
ECU Line Switzerland	1,301	-
ECU Line UK	51,398	35,830
Ecu Logistics SA (Argentina)	(1,564)	1,197
ECU Logistics do Brasil	298	(521)
ECU Line Chile	(263)	-
ECU Line Conecli	1,347	-
Ecu Logistic de Mexico SA	2,705	2,664
ECU Line Uruguay	(188)	342
Econcaribe Consolidators	71,911	177,123
ECU Line Canada	16,140	17,156
ECU Line Middle East	3,603	2,471
ECU Line Saudi Arabia	-	2,967
ECU Line Mauritius (I.O.I)	-	170
ECU Line Australia	108,232	144,837
ECU Line Hong Kong	32,163	20,007
ECU Line Japan	344	2,173
ECU Line Malaysia	5,858	7,082
Ecu Line Philippines	3,031	505
ECU Line Singapore	78,620	98,882
ECU Line Thailand	369	3,515

The accompanying notes form part of these financial statements.
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ECU Worldwide New Zealand Limited

Notes to the Financial Statements

For the Year Ended 31st December 2017

ECU Line Xiamen	-	330
Indonesia, P.T. Ecu(Eka Consol Utama) Line	-	491
Ecu Line Qingdao	1,336	2,207
ECU Line Fuzhou	349	-
ECU Line Ningbo Branch Office	1,282	1,449
ECU Line Shanghai (China Consolidatn Services Shipping Ltd)	3,348	8,717
Ecu Line Vietnam	23	339
ECU Line South Africa	1,832	1,781
ECU Line Jordan	726	-
	<u>490,053</u>	<u>656,120</u>

Freight forwarding charged by fellow subsidiary companies:

ECU Line NV	78,987	69,497
FCL Marin Agencies BV.	-	2,226
ECU Line France	16,781	19,269
ECU Line Germany	85,061	80,142
ECU Line Italy	10,379	4,963
ECU Line Rotterdam	1,008	1,507
ECU Line Spain	9,241	5,554
ECU Line Maroc	4,898	-
ECU Line Turkey	3,490	8,108
ECU Line UK	51,672	7,410
ECU Logistics do Brasil	4,555	3,566
ECU Line Chile	414	399
ECU Line Ecuador	-	2,183
ECU Logistic de Mexico SA	691	1,227
Econcaribe Consolidators	161,876	204,318
ECU Line Canada	29,838	38,574
ECU Line Middle East	246	-
ECU Line Saudi Arabia	2,243	-
ECU Line Australia	272,563	261,379
ECU Line Guangzhou	696	3,320
ECU Line Shenzhen	-	1,074
ECU Line Hong Kong	59,248	49,962
ECU Line Japan	7,790	5,127
ECU Line Malaysia	5,882	1,671
ECU Line Philippines	1,465	1,043
ECU Line Singapore	101,966	125,962
ECU Line Thailand	1,916	3,741
Indonesia, PT Ecu (Eka Consol Utama) Line	-	(186)
ECU Line Lanka (PVT) Ltd	-	121
Ecu Line Qingdao	1,359	626
Ecu Line Ningbo Branch Office	5,429	8,799
ECU Line Shanghai (China Consolidatn Services Shipping Ltd)	8,708	20,013
ECU Line Vietnam	4,799	2,334
ECU Worldwide Logistics LTD Cambodia	57	-
ECU Line South Africa	811	1,441
	<u>934,067</u>	<u>935,370</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 2017

The balances outstanding are as follows:

Amounts due from:

	2017 \$	2016 \$
ECU Line Australia	37,387	33,814
ECU Line NV	8,464	12,947
ECU Line Canada	-	8,740
ECU Line Hong Kong	17,786	2,000
ECU Line UK	6,290	13,709
Ecu Line France	851	2,985
ECU Line Germany	5,212	19,362
Ecu Line Italy	34	1,156
ECU Line Japan	155	-
ECU Line Malaysia	77	(524)
ECU Line Rotterdam	182	380
ECU Line Philippines	171	-
ECU Line South Africa	1,832	570
ECU Line Singapore	8,706	27,623
ECU Line Spain	155	-
ECU Line Thailand	-	187
ECU Line Turkey	-	1,317
ECU Logistics De Mexico	-	2,664
Ecu Line Middle East	1,022	2,471
ECU Line Uruguay	-	342
ECU Line Vietnam	151	270
ECU Line Switzerland	1,301	-
ECU Line Czech Republic	642	-
Indonesia, P.T. Ecu(Eka Consol Utama) Line	-	109
Ecu Line Qingdao	87	646
ECU Line Fuzhou	349	-
ECU Line Saudi Arabia	-	1,011
ECU Line Ningbo	433	204
Econocaribe Consolidators Inc	22,773	30,088
ECU Line Shanghai	354	1,677
	<u>114,415</u>	<u>163,749</u>

The balances outstanding are as follows:

Amounts due to:

	2017 \$	2016 \$
ECU Line Australia	64,953	56,167
ECU Line NV	5,556	7,049
ECU Logistics do Brasil	30	109
ECU Line Canada	245	11,277
ECU Line Guangzhou	-	172
ECU Line Hong Kong	4,585	8,887
ECU Line UK	363	1,255
ECU Line France	454	5,000
Ecu Line Germany	4,950	17,680
ECU Line Japan	93	86
Ecu Line Malaysia	68	305
ECU Line Singapore	2,399	17,163
ECU Line Spain	-	147
ECU Line Thailand	36	90
Ecu Line Turkey	83	1,233
ECU Line Vietnam	2,023	-
ECU Line Qingdao	(43)	-

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 2017

ECU Line Ningbo	881	965
Econocaribe Consolidators Inc	12,802	29,924
Prism Global Limited	-	790
ECU Line Shanghai	179	-
	<u>99,658</u>	<u>158,300</u>

7. TAXATION

	2017	2016
	\$	\$
Operating profit before taxation	274,044	357,616
Prima facie income tax thereon at 28%	76,732	100,132
Tax effect of permanent differences	(187)	(855)
Income Tax Expense on Net Profit	<u>76,545</u>	<u>99,277</u>

The Taxation Charge is Represented by

Current year tax	<u>76,545</u>	<u>99,277</u>
	<u>76,545</u>	<u>99,277</u>

Less

RWT Paid	20	183
Provisional Tax paid	68,061	83,399
Terminal Tax paid	17,000	85,200
Outstanding from prior years	(15,695)	(85,200)
Total Tax to Pay	<u>7,159</u>	<u>15,695</u>

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.

	2017	2016
	\$	\$
Non-Deductible Expenditure		
Non-Deductible Provision for Audit Fees	14,570	-
Non Deductible Entertainment	5,191	6,356
Non-Deductible Provision for Insurance	400	-
Non-Deductible Provision for Travel	9,000	-
Non-Deductible Holiday Pay & Bonuses	(30,971)	(9,411)
Non-Deductible penalties	1,142	-
Total	<u>(668)</u>	<u>(3,055)</u>

8. IMPUTATION CREDIT ACCOUNT

At balance date imputation credits available to the shareholders were

	2017	2016
	\$	\$
Opening Balance	93,165	2,161
Payments to IRD	85,061	168,599
RWT credits attached to Interest income received	20	183
Imputation credits attached to Dividends paid	(97,222)	(77,778)
Closing Balance	<u>81,024</u>	<u>93,165</u>

9. CAPITAL EXPENDITURE COMMITMENTS

ECU Worldwide New Zealand Limited has made no capital commitments as at balance date (2016: Nil).

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 2017

10. PROPERTY, PLANT & EQUIPMENT

	2017 \$	2016 \$
Furniture & Fittings		
At cost	61,463	61,463
Less accumulated depreciation	(53,051)	(51,159)
	8,412	10,304
 Current year depreciation	1,892	1,733
	1,892	1,733
Office Equipment		
At cost	46,431	40,731
Less accumulated depreciation	(40,950)	(39,655)
	5,481	1,076
 Current year depreciation	1,295	804
	1,295	804
 Total Property, Plant & Equipment	\$13,892	\$11,380
 Total Depreciation for the year	\$3,187	\$2,537

11. TRADE AND OTHER RECEIVABLES

	2017 \$	2016 \$
Accounts Receivable	525,129	556,417
WIP Control	40,091	11,489
	565,220	567,906

12. TRADE AND OTHER PAYABLES

	2017 \$	2016 \$
Accounts Payable	215,548	308,093
Accrued Expenses - Job Costing	218,915	117,198
	434,463	425,291

13. PROVISIONS

	2017 \$	2016 \$
<u>Current</u>		
Employee Benefits		
Provision for Holiday Pay		
- Opening Balance for the year	29,155	33,566
- Provisions added	34,757	63,312
- Provisions used	(61,729)	(67,724)
	2,184	29,155
 Total Current Provisions	2,184	29,155
 Total Provisions	2,184	29,155

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

