

**Ecu Line Doha W.L.L.
Doha-Qatar**

**Independent Auditor's Report and Financial
Statements for the year ended
31 December 2024**

Ecu Line Doha W.L.L.

Doha-Qatar

**Independent Auditor's Report and Financial Statements
for the year ended 31 December 2024**

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INDEPENDENT AUDITOR'S REPORT

To
The Shareholders
Ecu Line Doha W.L.L.
Doha-Qatar

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Ecu Line Doha W.L.L., Doha-Qatar ("the company"), which comprise the statement of financial position as at 31 December 2024, and the statement of 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 accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.4 in the financial statements, which indicates that the company incurred a net loss of Qrs. 813,034 during the period ended 31 December 2024, which exceeds 50% of the capital of the company. These 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. Our opinion is not modified in respect of this matter.

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

Management of the company is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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 governance are responsible for overseeing the company's financial reporting process.

Independent Auditor's Report Continued...

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 judgment 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 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 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.

Independent Auditor's Report Continued...

- 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 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 we identify during our audit.

Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion, proper books of account have been kept by the Company, and the financial statements comply with the Qatar Commercial Companies' Law No. 11 of 2015, as amended by Law No.8 of 2021 and the Company's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit and are not aware of any violations of the above-mentioned law or the Articles of Association having occurred during the year, which might have had a material adverse effect on the Company's financial position or performance.



Mohammad Haneefa

Partner

Ahmed Khaled Al-Ghanim and Partner - Chartered Accountants

Doha, Qatar

Auditors Register No. 337

09 March 2025



Ecu Line Doha W.L.L.**Doha-Qatar****Statement of financial position as at 31 December 2024**

Amounts in Qatari Riyals

	Note	2024	2023
Assets			
Non-current assets			
Property, plant and equipment	6	147,467	124,166
Total non-current assets		147,467	124,166
Current assets			
Trade and other receivables	7	11,599,859	6,107,102
Due from related parties		54,217	307,924
Cash and cash equivalents	8	804,061	508,780
Total current assets		12,458,137	6,923,806
Total assets		12,605,604	7,047,972
Equity and liabilities			
Equity			
Share capital	9	1,000,000	1,000,000
Shareholders' current account	10	---	---
Legal reserve	11	500,000	500,000
Retained earnings		(813,034)	227,742
Total equity		686,966	1,727,742
Non-current liabilities			
Employees' end of service benefits	12	355,733	850,082
Total non-current liabilities		355,733	850,082
Current liabilities			
Trade and other payables	13	11,233,044	3,629,912
Due to related parties		329,861	797,817
Income tax payable	18	---	42,419
Total current liabilities		11,562,905	4,470,148
Total equity and liabilities		12,605,604	7,047,972

These Financial statements were approved by all the partners and signed on behalf of them:-

Gopalakrishnan Vijayakumar**Finance Manager**

Date :



The accompanying notes form an integral part of these financial statements

Ecu Line Doha W.L.L.

Doha-Qatar

Statement of comprehensive income for the year ended 31 December 2024

Amounts in Qatari Riyals

	Note	2024	2023
Revenue	14	32,482,099	29,109,549
Cost of revenue	15	(28,618,738)	(24,525,564)
Gross profit		3,863,361	4,583,985
Other income	16	26,581	87,186
General and administrative expenses	17	(4,656,499)	(4,358,509)
Depreciation	6	(46,477)	(29,571)
(Loss) / profit before tax		(813,034)	283,091
Income tax expense	18	---	(42,419)
(Loss) / profit for the year		(813,034)	240,672
Other comprehensive income		---	---
Total comprehensive (loss) / income for the year		(813,034)	240,672

These Financial statements were approved by all the partners and signed on behalf of them:-

Gopalakrishnan Vijayakumar
Finance Manager

Date : 



The accompanying notes form an integral part of these financial statements

Ecu Line Doha W.L.L.


Doha-Qatar

Statement of changes in equity for the year ended 31 December 2024

Amounts in Qatari Riyals

	Capital	Legal reserve	Retained earnings	Total
Balance as of 31 December 2022	1,000,000	487,070	1,396,516	2,883,586
Distribution of profit	---	---	(1,396,516)	(1,396,516)
Profit for the year	---	---	240,672	240,672
Transfer to legal reserve	---	12,930	(12,930)	---
Balance as of 31 December 2023	1,000,000	500,000	227,742	1,727,742
Distribution of profit	---	---	(227,742)	(227,742)
(Loss) for the year	---	---	(813,034)	(813,034)
Balance as of 31 December 2024	1,000,000	500,000	(813,034)	686,966

These Financial statements were approved by all the partners and signed on behalf of them:-


Gopalakrishnan Vijayakumar
Finance Manager



Date :

The accompanying notes form an integral part of these financial statements

Ecu Line Doha W.L.L.

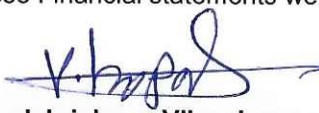
Doha-Qatar

Statement of cash flows for the year ended 31 December 2024

Amounts in Qatari Riyals

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
(Loss) / profit for the year	(813,034)	240,672
Adjustments: -		
Income tax expense recognized in profit or loss	---	42,419
Depreciation	46,477	29,571
Provision for employees' end of service benefits	117,003	187,721
Operating profit before working capital changes	(649,554)	500,383
Working capital changes: -		
Trade and other receivables	(5,492,757)	2,008,935
Due from related party	253,707	(36,835)
Trade and other payables	7,603,132	(5,203,918)
Due to related parties	(467,956)	411,104
Cash generated from operations	1,246,572	(2,320,331)
Income tax paid	(42,419)	(91,486)
End of service paid	(611,352)	---
Net cash generated by operating activities	592,801	(2,411,817)
Cash flows from investing activities		
Payments for property, plant and equipment	(69,778)	(94,819)
Net cash used in investing activities	(69,778)	(94,819)
Cash flows from financing activities		
Distribution of profit	(227,742)	(1,396,516)
Net cash used in financing activities	(227,748)	(1,396,516)
Net increase / (decrease) in cash and cash equivalents	295,281	(3,903,152)
Cash and cash equivalents at the beginning of the year	508,780	4,411,932
Cash and cash equivalents at the end of the year (note no.7)	804,061	508,780

These Financial statements were approved by all the partners and signed on behalf of them:-


Gopalakrishnan Vijayakumar
Finance Manager



Date :

The accompanying notes form an integral part of these financial statements

Ecu Line Doha W.L.L.

Doha-Qatar

Notes to the financial statements for the year ended 31 December 2024

1. General information

Ecu Line Doha W.L.L. ("the company") is registered as a limited liability company in the State of Qatar with Ministry of Economy and Commerce under the commercial registration no. 26193 on 8 June 2003.

The principal activities of the company are shipping services via sea, and land and furniture packing. There were no changes in the activities of the Company since the previous year.

2. Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with (a) International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board and (b) applicable provisions of Commercial Companies Law of the State of Qatar.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention.

2.3 Basis of accounting

These financial statements have been prepared, except for cash flow information, using the accrual basis of accounting.

2.4 Going concern

These financial statements have been prepared on a going-concern basis. The company has incurred a net loss of QAR. 813,034 for the period ended 31 December 2024, which exceeds 50% of the capital of the company. These events or conditions indicate the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern. The shareholders of the company have decided to continue the business and to bring in additional finance as and when necessary.

2.5 Currency

These financial statements are presented in Qatari Riyals, which is the company's functional currency.

Ecu Line Doha W.L.L.

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Notes to the financial statements for the year ended 31 December 2024

3. Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following: -

3.1. Application of New and Revised International Financial Reporting Standards (IFRSs)

<u>Description</u>	<u>Effective from</u>
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	01-Jan-24
Non-current Liabilities with Covenants – Amendments to IAS 1 and Classification of Liabilities as Current or Non-current – Amendments to IAS 1	01-Jan-24
Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	01-Jan-24

2. Standards / Amendments Issued but not yet Effective: -

<u>Description</u>	<u>Effective from</u>
Lack of Exchangeability – Amendments to IAS 21	01-Jan-25
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	01-Jan-26
IFRS 18 Presentation and Disclosure in Financial Statements	01-Jan-27
IFRS 19 Subsidiaries without Public Accountability: Disclosures	01-Jan-27
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Deferred indefinitely

4. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

4.1 Property, plant and equipment

Items of Property, plant and equipment are initially recorded at cost. Cost includes all costs necessary to bring the asset to working condition for its intended use. These assets are subsequently carried at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to income statement. Depreciation is calculated so as to write off the cost of the assets less their residual values over their estimated useful lives, using the straight-line method.

The estimated useful lives of the assets are as follows: -

Vehicle	5 years
Computer	3 years
Equipment	5 years
Furniture	6 to 7 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end and any changes in estimate are accounted for on a prospective basis. Depreciation begins when the asset is available for use and continues until the asset is derecognized, even if it is idle. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in income statement.

Properties in the course of construction are carried at cost less any recognized impairment losses. These assets are not depreciated as they are not ready for their intended use.

4.2 Impairment

The carrying amounts of the company's asset are reviewed at the balance sheet date to determine whether there is any indication for impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized in the statement of income whenever the carrying amount of an asset exceeds its recoverable amount.

4.3 Trade receivables

Trade receivables are the amount due from the customers for merchandise sold or services rendered in the ordinary course of business. Trade receivables are stated at original invoice amount less provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

4.4 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks together with short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to insignificant risks of changes in value with a maturity of three months or less from the date of acquisition.

For the purpose of cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts. Bank overdraft repayable on demand form an integral part of the company's cash management.

4.5 Trade payables

Liabilities are recognized for amounts to be paid in the future for the services received, whether billed by the supplier or not.

4.6 Accruals and provisions

Provisions are recognized when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking in to account the risks and uncertainties surrounding the obligation.

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Notes to the financial statements for the year ended 31 December 2024

4.7 Revenue recognition

Revenue represents primarily income from the services of freight forwarding and customs clearance. Revenue is measured at the fair value of the consideration received or receivable for services rendered in the ordinary course of the business net of any discounts and other allowances. Revenue includes customs duty collected from clients on behalf of the customs authorities.

4.8 Foreign currencies

Transactions in foreign currencies are initially recorded in Qatari Riyals at the rates prevailing at the date of transaction. At each subsequent balance sheet date, monetary assets and liabilities denominated in foreign currencies are retranslated in to Qatari Riyals at the rate of exchange prevailing at the balance sheet date. All differences arising from foreign exchange are included in the income statement. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. The non-monetary items carried at historical cost are not retranslated.

4.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

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Notes to the financial statements for the year ended 31 December 2024

4.10 Employees' benefits

Provision is made for employees' entitlement to annual leave and end of service benefits in accordance with Qatar labour law and the company's policy. These benefits are based upon the employees' current remuneration and total period of service at the balance sheet date. No provision is made for leave passage and it is recognized as an expense when it is effectively incurred.

The company has no expectation of settling its employees' end of service benefits obligation within 12 months from the balance sheet date and therefore it has been classified as non-current liability in the statement of financial position. The provision is not discounted to present value as the effect of the time value of money is not expected to be significant. Provision for annual leave is classified as current liability.

4.11 Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Transactions between related parties are accounted for at arm's-length prices or on terms similar to those offered to non-related entities in an economically comparable market.

4.12 Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets are classified in to financial assets at fair value through profit or loss (FVTPL), held-to-maturity investments, available-for-sale (AFS) and loans and receivables.

Ecu Line Doha W.L.L.

Doha-Qatar

Notes to the financial statements for the year ended 31 December 2024

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. The classification depends on the nature and purpose of the financial asset and is determined at the time of initial recognition. The Company's financial assets comprise Trade and other receivables, due from related parties and cash and cash equivalents which are classified under loans and receivables which are subsequently measured at amortized cost using the effective interest rate method less any impairment. The Company assess at the end of each reporting period, whether there is objective evidence that a financial asset is impaired. For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the income statement. The reversal of any previously recognized impairment loss is recognized in the income statement. The Company derecognize a financial asset when the contractual rights to the cash flows from the asset expires or when it transfers substantially all of the risk and rewards of the ownership of the asset.

Financial liabilities are classified into financial liabilities at fair value through profit or loss and financial liabilities measured at amortized cost using the effective interest rate method. All financial liabilities are recognized initially at fair value net of directly attributable transaction costs except for liabilities measured at fair value through profit or loss. The Company's financial liabilities include trade and other payables and due to related parties, which are subsequently measured at amortized cost using the effective interest rate method. A financial liability is derecognized when the obligation specified in the contract is either discharged or cancelled or expires. Any gain or loss from the extinguishment of the original financial liability is recognized in the income statement.

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position, when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

5. Critical accounting judgments and key sources of estimation uncertainty

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, if the revision affects only that period or in the period of the revision and future periods, if the revision affects both current and future. Information about significant areas that involve a higher degree of judgment or complexity, or areas where assumptions or estimates have a significant risk of resulting in a material adjustment to the amounts recognized in the financial statements are as follows: -

5.1 Going Concern

Management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. The Company is profitable and it has positive net assets, working capital and cash flow positions as at the year end. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. Therefore, these financial statements are prepared on a going concern basis.

5.2 Depreciation

Items of property, plant and equipment are depreciated over their estimated useful lives. The determination of useful lives is based on the expected usage of the asset, physical wear and tear, technological or commercial obsolescence and impacts the annual depreciation charge recognized in the financial statements. Management reviews annually the useful lives of these assets. Future depreciation charge could be materially adjusted when management believes that the useful lives differ from previous estimates. The management has not considered any residual values as it is deemed immaterial.

5.3 Impairment of non-financial assets (other than inventories)

The carrying amounts of the Company's non-financial assets (property, plant and equipment and capital work-in-progress) are reviewed at each reporting date to determine whether there is any indication of impairment. As at the reporting date, management did not identify any evidence from internal reporting indicating impairment of an asset or class of assets and there were no significant adverse changes in the market that could have an adverse effect of its assets. If such indication exists, then an impairment test is performed by the management. The determination of what can be considered impaired, as well as the determination of recoverable amounts require management to make significant judgments, estimation and assumptions.

5.4 Impairment of trade and other receivables

The carrying amounts of the trade and other receivables are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, then an impairment test is performed by the management. Management uses considerable judgment to estimate any irrecoverable amounts of receivables, determined by reference to past default experience of a counterparty and an analysis of the counterparty's financial situation.

5.5 Provision for employees' end of service benefits

Management has measured the Company's obligation for the post-employment benefits of its employees based on the provisions of the relevant labour laws. Management does not perform an actuarial valuation as required by International Accounting Standard 19 "Employee Benefits" as it estimates that such valuation does not result to a significantly different level of provision. The provision is reviewed by management at the end of each year, and any change to the projected benefit obligation at the yearend is adjusted in the provision for employees' end of service benefits in the profit or loss.

5.6 Other provisions and liabilities

Other provisions and liabilities are recognized in the period only to the extent management considers it probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgments to existing facts and circumstances, which can be subject to change. Since the actual cash outflows can take place in subsequent years, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances. A change in estimate of a recognized provision or liability would result in a change or credit to profit or loss in the period in which the change occurs.

5.7 Contingent liabilities

Contingent liabilities are determined by the likelihood of occurrence or non-occurrence of one or more uncertain future events. Assessment of contingent liabilities is tightly connected with development of significant assumptions and estimates relating to the consequence of such future events.

Ecu Line Doha W.L.L.

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Notes to the financial statements for the year ended 31 December 2024

6. Property, plant and equipment

	Vehicles	Computer	Equipment	Furniture	Total
Cost:					
Beginning balance	167,628	68,697	25,053	84,079	345,457
Additions	---	3,150	3,423	63,205	69,778
Disposals	---	---	---	---	---
Ending balance	167,628	71,847	28,476	147,284	415,235
Accumulated depreciation:					
Beginning balance	133,524	25,840	6,513	55,414	221,291
Charge for the year	7,780	21,080	5,376	12,241	46,477
Disposals	---	---	---	---	---
Ending balance	141,304	46,920	11,889	67,655	267,768
Carrying value:					
Current year	26,324	24,927	16,587	79,629	147,467
Previous year	34,104	42,857	18,540	28,665	124,166

Ecu Line Doha W.L.L.**Doha-Qatar****Notes to the financial statements for the year ended 31 December 2024**

7. Trade and other receivables	<u>2024</u>	<u>2023</u>
Trade receivables	10,181,155	5,802,224
Less: provision for doubtful debts	(464,463)	(436,035)
Trade receivables net	<u>9,716,692</u>	<u>5,366,189</u>
Deposits	35,000	108,099
Pre-payments	---	104,615
Loans and advances	1,835,238	528,199
Other receivables	12,929	---
	<u>11,599,859</u>	<u>6,107,102</u>

The movement in the provision for doubtful debts during the year is as follows: -

	<u>2024</u>	<u>2023</u>
Opening balance	436,035	101,160
(Decrease) / increase in allowance recognized in income statement	28,428	334,875
	<u>464,463</u>	<u>436,035</u>

The ageing analysis of trade receivables are as follows: -

0 to 30 days	3,156,921	1,974,555
30 to 60 days	2,356,925	979,310
60 to 90 days	2,641,395	869,873
90 to 180 days	1,624,822	635,514
More than 180 days	401,092	1,342,972
	<u>10,181,155</u>	<u>5,802,224</u>

Credit period allowed to customers ranges from 30 to 90 days. No interest is charged on trade receivables for late payment. Trade receivables disclosed above includes amount that are past due at the end of the reporting period against which the company has recognized sufficient allowance for doubtful debts as per the company policy hence company has not adopted IFRS 9. The company does not hold any collateral over these balances. There are no customers who represent more than 12% of the total balances of trade receivables.

Ecu Line Doha W.L.L.**Doha-Qatar****Notes to the financial statements for the year ended 31 December 2024**

8. Cash and cash equivalents	<u>2024</u>	<u>2023</u>
Cash on hand	7,609	5,000
Cash at bank – current accounts	689,463	396,791
Cash at bank – fixed deposits	106,989	106,989
	<u>804,061</u>	<u>508,780</u>

Restricted bank balance represents amounts deposited with Commercial Bank of Qatar as cash collateral for the issuance of bank guarantees.

9. Share capital

As per the commercial registration, the shareholders of the company and their share of capital are as follows.

	Percentage	Amount
Mr. Saad Ahmed A H Al Mohannadi	51%	510,000
M/s. Ecu Hold NV Belgium	49%	490,000
	<u>100%</u>	<u>1,000,000</u>

10. Shareholders current account	<u>2024</u>	<u>2023</u>
Mr. Saad Ahmed A H Al Mohannadi	(510,000)	(510,000)
M/s. Ecu Hold N V Belgium	510,000	510,000
	<u>---</u>	<u>---</u>

Ecu Line Doha W.L.L.**Doha-Qatar****Notes to the financial statements for the year ended 31 December 2024**

11. Legal reserve

In accordance with Qatar Commercial Companies law No. 11 of 2015, the company has to transfer 10% of its Net Profit to Legal Reserve. Such transfers can discontinue after the reserve totals 50% of the issued share capital. This reserve is generally unavailable for distribution except the circumstances stipulated by the law.

Opening balance	500,000	487,070
Transfer from profit	---	12,930
	<u>500,000</u>	<u>500,000</u>

12. Provision for employees' end of service benefits

	<u>2024</u>	<u>2023</u>
Balance at the beginning of the year	850,082	662,361
Provision made during the year	117,003	187,721
Paid during the year	(611,352)	---
	<u>355,733</u>	<u>850,082</u>

13. Trade and other payables

Trade payables	9,866,410	2,653,601
Accrued expenses and provisions	1,313,614	862,450
Other payables	53,020	113,861
	<u>11,233,044</u>	<u>3,629,912</u>

14. Revenue

Export activities	4,402,036	3,481,529
Import activities	28,080,063	25,619,770
Local transport	---	8,250
	<u>32,482,099</u>	<u>29,109,549</u>

Ecu Line Doha W.L.L.**Doha-Qatar****Notes to the financial statements for the year ended 31 December 2024**

15. Cost of revenue	<u>2024</u>	<u>2023</u>
Export activities	3,514,411	3,674,118
Import activities	24,042,178	20,835,167
Other direct expenses	1,062,149	16,279
	<u>28,618,738</u>	<u>24,525,564</u>
16. Other Income		
Interest income	812	7,648
Other income	25,769	79,538
	<u>26,581</u>	<u>87,186</u>
17. General and administrative expenses		
Staff cost	3,920,695	3,222,607
Rent	137,723	150,357
Communication expenses	77,447	87,826
License, fees and taxes	255,306	178,932
Office expenses	27,681	34,473
Traveling expenses	5,151	124,254
Repairs and maintenance	85,060	44,377
Bank charges	45,467	57,455
Bad debts	28,428	334,875
Miscellaneous expenses	73,541	123,353
	<u>4,656,499</u>	<u>4,358,509</u>

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Notes to the financial statements for the year ended 31 December 2024

18. Income tax expense

Income tax expense, calculated as per the provisions of Qatar Income Tax Law No. 21 of 2009, is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted as at the reporting date.

	<u>2024</u>	<u>2023</u>
Accounting profit before tax	(813,034)	283,091
Adjustments for: -		
- Provision for expenses	145,431	522,596
- Other non-deductible expenses	60,000	60,000
Taxable income for the year	<u>(607,603)</u>	<u>865,687</u>
Share of income subject to income tax – 49%	---	424,187
Income tax payable for the year @10%	---	42,419
Income tax expense of current year	---	42,419

Ecu Line Doha W.L.L.

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Notes to the financial statements for the year ended 31 December 2024

19. Related party balances and transactions

Related party balance represents the amount due from or due to M/s. Ecu Hold N V Belgium (49% shareholder) and its group companies. Receivable and payable balances at year end are unsecured.

The nature of significantly related party transactions and the amounts involved are as follows: -

	<u>2024</u>	<u>2023</u>
Revenue	1,301,606	1,318,983
Cost of revenue	<u>6,872,964</u>	<u>9,613,171</u>

All transactions with the related parties are conducted at normal commercial terms and conditions.

20 Financial risk management

The Company has various financial assets such as trade receivables, due from related parties, other receivables and cash and cash equivalents which arise directly from its operations. The Company's principal financial liabilities comprise of trade payables, due to related parties and accrued expenses.

The main risks arising from the use of Company's financial instruments are credit risk, liquidity risk

20.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk with respect to bank balances is limited as the cash is placed with reputable banks with good credit ratings. Credit risk on receivables is minimized as the credit worthiness of each customer is evaluated prior to sanctioning of credit facilities and is subsequently monitored through proper follow up and recovery. The company does not expect any credit risk on the amounts due from related parties. The Company's maximum exposure to credit risk that may arise from the default of the counterparty is equal to the carrying amount of financial assets.

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Notes to the financial statements for the year ended 31 December 2024

20.2 Liquidity risk

Liquidity risk is the risk that company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company manages its liquidity risk by ensuring it has sufficient liquid cash balances to meet its payment obligations as they fall due without incurring unacceptable losses or risking damage to the company's reputation under both normal and stressed conditions. The Company continuously monitors actual cash flows with forecast and matches the maturity profiles of financial assets and liabilities.

20.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk, currency risk and other price risks.

Interest rate risk is the risk of changes in market interest rates affecting the overall return of the Company. Management is of the opinion that the Company's exposure to interest rate risk is minimal as there is no interest-bearing borrowings.

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company's related party balances are exposed to foreign currency risk. Based on the historical exchange rates, the management is of the opinion that exchange rates are not volatile enough to cause a significant risk. The Company does not hedge its currency exposure.

21. Fair value of financial instruments

Fair value is the amount that an asset could be exchanged or a liability settled, between knowledgeable and willing parties on an arm's length basis. Since the accompanying financial statements have been prepared under the historical cost convention, the carrying value of the Company's financial instruments as recorded could therefore be different from the fair value. Management is of the opinion that fair value of the financial assets and liabilities are not considered significantly different from their carrying values as most items are short-term in nature.

22. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong capital base in order to support its business and to sustain future development of the business. Management monitors its capital structure and makes adjustment to it, in the light of economic conditions. The Company does not have third party borrowings. It is financed by funds of the shareholders. The Company's capital management policy remained unchanged since the previous year. The Company is not subject to any externally imposed capital requirements. Capital includes share capital, legal reserve, retained earnings and shareholders' current account and is measured at QAR. 2,883,586 as at 31 December 2024 (2023: QAR.1,754,162)

23. Contingent liabilities

	<u>2024</u>	<u>2023</u>
Bank guarantee	<u>100,000</u>	<u>100,000</u>

The company does not anticipate any material liability that may arise from these guarantees which are issued in the ordinary course of business.

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Doha-Qatar

Notes to the financial statements for the year ended 31 December 2024

24. Commitments

Except for the ongoing business obligations arising from the normal course of business, there have been no other known commitments as of the reporting date.

25. Subsequent events

There were no significant events, after the reporting date, which have a bearing on the understanding of these financial statements.

26. Comparative figures

The comparative figures for the previous year have been regrouped / reclassified, where necessary, in order to conform to the current year's presentation. Such reclassifications do not affect the previously reported net profits, net assets or equity.

27. Approval of financial statements

These financial statements were approved and authorized for issue by the management of the company.

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