

ECU WORLDWIDE (CYPRUS) LTD

FINANCIAL STATEMENTS

31 December 2022



N. Constantinou & Co
Audit Ltd

ECU WORLDWIDE (CYPRUS) LTD

FINANCIAL STATEMENTS

31 December 2022

CONTENTS

PAGE

Board of Directors and other officers	1
Independent auditor's report	2 - 4
Statement of profit or loss and other comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Cash flow statement	8
Notes to the financial statements	9 - 19

ECU WORLDWIDE (CYPRUS) LTD

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors: Georgios Antoniadis
Tempus Secretarial Limited
Saleem Mohamed Nazir Mohamedhusein
Rene Marcel Wernli (resigned on 25/08/2022)

Company Secretary: Georgios Antoniadis

Independent Auditors: N. Constantinou & Co Audit Ltd
Chartered Accountants

Registered office: Omonias and Aiginis 1 Street, Psylos Court
3052 Limassol, Cyprus

Bankers: Bank of Cyprus Public Company Ltd

Registration number: HE93549



N. Constantinou & Co Audit Ltd

Director: Nicos Constantinou FCCA, FCA

Independent Auditor's Report

To the Members of Ecu Worldwide (Cyprus) Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ecu Worldwide (Cyprus) Ltd (the "Company"), which are presented in pages 5 to 19 and comprise the statement of financial position as at 31 December 2022, and the statements of profit or loss and other comprehensive income, changes in equity and 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 give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

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' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, 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.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of 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 Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

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N. Constantinou & Co Audit Ltd

Director: Nicos Constantinou FCCA, FCA

Independent Auditor's Report (continued)

To the Members of Ecu Worldwide (Cyprus) Ltd

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 the Board of Directors.
- Conclude on the appropriateness of the Board of 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 a true and fair view.

We communicate with the Board of 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.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

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N. Constantinou & Co Audit Ltd

Director: Nicos Constantinou FCCA, FCA

Independent Auditor's Report (continued)

To the Members of Ecu Worldwide (Cyprus) Ltd

Nicos Constantinou

Chartered Accountant and Registered Auditor
for and on behalf of

N. Constantinou & Co Audit Ltd
Chartered Accountants

Limassol, 3 February 2023

ECU WORLDWIDE (CYPRUS) LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 31 December 2022

	Note	2022 €	2021 €
Revenue	6	1,885,190	1,262,211
Cost of sales		(1,628,006)	(1,081,940)
Gross profit		257,184	180,271
Administration expenses		(142,606)	(141,658)
Operating profit	7	114,578	38,613
Net finance income/(cost)	8	754	(226)
Profit before tax		115,332	38,387
Tax	9	(14,336)	(4,992)
Net profit for the year		100,996	33,395
Other comprehensive income		-	-
Total comprehensive income for the year		100,996	33,395

The notes on pages 9 to 19 form an integral part of these financial statements.


ECU WORLDWIDE (CYPRUS) LTD

STATEMENT OF FINANCIAL POSITION

31 December 2022

	Note	2022 €	2021 €
ASSETS			
Non-current assets			
Property, plant and equipment	11	<u>510</u>	<u>612</u>
		<u>510</u>	<u>612</u>
Current assets			
Trade and other receivables	12	<u>92,474</u>	<u>48,495</u>
Refundable taxes	16	<u>1,934</u>	<u>-</u>
Cash at bank and in hand	13	<u>67,879</u>	<u>50,278</u>
		<u>162,287</u>	<u>98,773</u>
Total assets		<u>162,797</u>	<u>99,385</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	14	<u>8,550</u>	<u>8,550</u>
Retained earnings		<u>101,265</u>	<u>33,664</u>
Total equity		<u>109,815</u>	<u>42,214</u>
Current liabilities			
Trade and other payables	15	<u>52,982</u>	<u>57,012</u>
Current tax liabilities	16	<u>-</u>	<u>159</u>
		<u>52,982</u>	<u>57,171</u>
Total equity and liabilities		<u>162,797</u>	<u>99,385</u>

On 3 February 2023 the Board of Directors of Ecu Worldwide (Cyprus) Ltd authorised these financial statements for issue.


.....
Georgios Antoniadis
Director

TEMPUS SECRETARIAL LTD


.....
Tempus Secretarial Limited
Director

The notes on pages 9 to 19 form an integral part of these financial statements.

ECU WORLDWIDE (CYPRUS) LTD

STATEMENT OF CHANGES IN EQUITY

31 December 2022

	Note	Share capital €	Retained earnings €	Total €
Balance at 1 January 2021		8,550	35,807	44,357
Net profit for the year		-	33,395	33,395
Dividends	10	-	(35,538)	(35,538)
Balance at 31 December 2021/ 1 January 2022		8,550	33,664	42,214
Net profit for the year		-	100,996	100,996
Dividends	10	-	(33,395)	(33,395)
Balance at 31 December 2022		8,550	101,265	109,815

Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits relate. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2,65%, when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

The notes on pages 9 to 19 form an integral part of these financial statements.

ECU WORLDWIDE (CYPRUS) LTD

CASH FLOW STATEMENT

31 December 2022

	Note	2022 €	2021 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		115,332	38,387
Adjustments for:			
Depreciation of property, plant and equipment	11	102	102
Interest income	8	(64)	-
Interest expense	8	12	2
		115,382	38,491
Changes in working capital:			
(Increase)/decrease in trade and other receivables		(43,979)	2,476
(Decrease)/increase in trade and other payables		(4,030)	6,387
Cash generated from operations		67,373	47,354
Tax paid		(16,429)	(4,411)
Net cash generated from operating activities		50,944	42,943
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		64	-
Net cash generated from investing activities		64	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(12)	(2)
Dividends paid		(33,395)	(35,538)
Net cash used in financing activities		(33,407)	(35,540)
Net increase in cash and cash equivalents		17,601	7,403
Cash and cash equivalents at beginning of the year		50,278	42,875
Cash and cash equivalents at end of the year	13	67,879	50,278

The notes on pages 9 to 19 form an integral part of these financial statements.

ECU WORLDWIDE (CYPRUS) LTD

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

1. Incorporation and principal activities

Country of incorporation

The Company Ecu Worldwide (Cyprus) Ltd (the "Company") was incorporated in Cyprus on 27 March, 1998 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Omonias and Aiginis 1 Street, Psylos Court, 3052 Limassol, Cyprus.

Principal activities

The principal activities of the Company, which are unchanged from last year, are shipping, chartering and forwarding.

2. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

3. Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2022. This adoption did not have a material effect on the accounting policies of the Company.

4. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Revenue

Recognition and measurement

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

- **Rendering of services**

Revenue from rendering of services is recognised over time while the Company satisfies its performance obligation by transferring control over the promised service to the customer in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total expected labour hours.

ECU WORLDWIDE (CYPRUS) LTD

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

4. Significant accounting policies (continued)

Finance income

Interest income is recognised on a time-proportion basis using the effective method.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Foreign currency translation

(1) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Dividends

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are approved by the Company's shareholders.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

	%
Furniture, fixtures and office equipment	10
Computer	20

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

ECU WORLDWIDE (CYPRUS) LTD

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

4. Significant accounting policies (continued)

Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Financial assets

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables are also subject to the impairment requirements of IFRS 9. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See note 5, Credit risk section.

Trade receivables are written off when there is no reasonable expectation of recovery.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

ECU WORLDWIDE (CYPRUS) LTD

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

4. Significant accounting policies (continued)

Financial assets (continued)

Financial liabilities - Modifications

An exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. (In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered.)

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners and is recognised directly to equity.

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Prepayments

Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments to acquire assets are transferred to the carrying amount of the asset once the Company has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Company. Other prepayments are written off to profit or loss when the goods or services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in profit or loss.

Share capital

Ordinary shares are classified as equity.

ECU WORLDWIDE (CYPRUS) LTD

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

5. Financial risk management

Financial risk factors

The Company is exposed to interest rate risk, credit risk, liquidity risk and currency risk arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

5.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

5.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from [cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and contract assets as well as lease receivables. Further, credit risk arises from financial guarantees and credit related commitments.]

(i) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, the Company has established policies whereby the majority of bank balances are held with independently rated parties with a minimum rating of ['C'].

If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The Company's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

These policies enable the Company to reduce its credit risk significantly.

(ii) Impairment of financial assets

The Company has the following types of financial assets that are subject to the expected credit loss model:

- trade receivables
- cash and cash equivalents
- credit commitments

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

- For trade receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the financial assets.
- For all other financial assets that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial asset that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

ECU WORLDWIDE (CYPRUS) LTD

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

5. Financial risk management (continued)

5.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Low credit risk

The Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Write-off

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a debt financial asset for write off when a debtor fails to make contractual payments greater than 180 days past due. Where debt financial assets have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Company's exposure to credit risk for each class of (asset/instrument) subject to the expected credit loss model is set out below:

Trade receivables and contract assets

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables (including those with a significant financing component, and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2022 or 1 January 2022 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The average credit period on sales of goods is 60 days. No interest is charged on outstanding trade receivables.

The Company always measures the loss allowance for trade receivables at an amount equal to lifetime ECL.

On that basis, the loss allowance as at 31 December 2022 and 31 December 2021 was determined as follows for both trade receivables and contract assets:

31 December 2022	Current
	€
Gross carrying amount - trade receivables	<u>91,916</u>
31 December 2021	Current
	€
Gross carrying amount - trade receivables	<u>46,030</u>

ECU WORLDWIDE (CYPRUS) LTD

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

5. Financial risk management (continued)

5.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Trade receivables and contract assets (continued)

There were no significant trade receivable and contract asset balances written off during the year that are subject to enforcement activity.

Cash and cash equivalents

The Company assesses, on a group basis, its exposure to credit risk arising from cash at bank. This assessment takes into account, ratings from external credit rating institutions and internal ratings, if external are not available.

Bank deposits held with banks with investment grade rating are considered as low credit risk.

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 December 2022 and 31 December 2021:

Company internal credit rating	External credit rating	2022 €	2021 €
Underperforming	BBB - B	67,880	50,278
Total		67,880	50,278

The ECL on current accounts is considered to be approximate to 0, unless the bank is subject to capital controls. The ECL on deposits accounts is calculated by considering published PDs for the rating as per Moody's and an LGD of 40-60% as published by ECB.

The Company does not hold any collateral as security for any cash at bank balances.

There were no significant cash at bank balances written off during the year that are subject to enforcement activity.

(iii) Credit related commitments

The primary purpose of these instruments is to ensure that funds are available to a borrower as required. Guarantees which represent irrevocable assurances that the Company will make payments in the event that a counterparty cannot meet its obligations to third parties, carry the same credit risk as loans receivable. Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans or guarantees. With respect to credit risk on commitments to extend credit, the Company is potentially exposed to loss in an amount equal to the total unused commitments, if the unused amounts were to be drawn down. The Company monitors the term to maturity of credit related commitments, because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

5.3 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses.

5.4 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency.

ECU WORLDWIDE (CYPRUS) LTD

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

6. Revenue

The Company derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major product lines.

Disaggregation of revenue

	2022	2021
	€	€
Credit sales	<u>1,885,190</u>	<u>1,262,211</u>
	<u>1,885,190</u>	<u>1,262,211</u>

7. Operating profit

	2022	2021
	€	€
Operating profit is stated after charging the following items:		
Depreciation of property, plant and equipment (Note 11)	102	102
Auditors' remuneration	<u>1,200</u>	<u>1,200</u>

8. Finance income/(costs)

	2022	2021
	€	€
Interest income	64	-
Exchange profit	<u>3,525</u>	<u>1,173</u>
Finance income	<u>3,589</u>	<u>1,173</u>
Interest expense	(12)	(2)
Sundry finance expenses	<u>(2,823)</u>	<u>(1,397)</u>
Finance costs	<u>(2,835)</u>	<u>(1,399)</u>
Net finance income/(cost)	<u>754</u>	<u>(226)</u>

9. Tax

	2022	2021
	€	€
Corporation tax	14,317	4,992
Defence contribution	<u>19</u>	<u>-</u>
Charge for the year	<u>14,336</u>	<u>4,992</u>

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

ECU WORLDWIDE (CYPRUS) LTD

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

10. Dividends

	2022	2021
	€	€
Final dividend paid	<u>33,395</u>	<u>35,538</u>
	<u>33,395</u>	<u>35,538</u>

During the year, the Company in General Meeting declared the payment of a final dividend of €33,395 (2021: €35,538).

Dividends are subject to a deduction of special contribution for defence at 17% for individual shareholders that are both Cyprus tax resident and Cyprus domiciled. Dividends are also subject to a 2,65% contribution to the General Healthcare System.

11. Property, plant and equipment

	Furniture, Computer fixtures and office equipment		Total
	€	€	€
Cost			
Balance at 1 January 2021	<u>1,849</u>	<u>13,770</u>	<u>15,619</u>
Balance at 31 December 2021/ 1 January 2022	1,849	13,770	15,619
Destroyed / Disposals	<u>(829)</u>	<u>(2,145)</u>	<u>(2,974)</u>
Balance at 31 December 2022	1,020	11,625	12,645
Depreciation			
Balance at 1 January 2021	<u>1,135</u>	<u>13,770</u>	<u>14,905</u>
Charge for the year	<u>102</u>	<u>-</u>	<u>102</u>
Balance at 31 December 2021/ 1 January 2022	1,237	13,770	15,007
Charge for the year	<u>102</u>	<u>-</u>	<u>102</u>
On destroyed / disposals	<u>(829)</u>	<u>(2,145)</u>	<u>(2,974)</u>
Balance at 31 December 2022	510	11,625	12,135
Net book amount			
Balance at 31 December 2022	510	-	510
Balance at 31 December 2021	612	-	612

Right-of-use assets

12. Trade and other receivables

	2022	2021
	€	€
Trade receivables	<u>88,591</u>	<u>46,030</u>
Trade receivables from related parties	<u>3,324</u>	<u>2,045</u>
Deposits and prepayments	<u>559</u>	<u>420</u>
	<u>92,474</u>	<u>48,495</u>

ECU WORLDWIDE (CYPRUS) LTD

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

12. Trade and other receivables (continued)

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 5 of the financial statements.

13. Cash at bank and in hand

Cash balances are analysed as follows:

	2022	2021
	€	€
Cash at bank and in hand	<u>67,879</u>	<u>50,278</u>
	<u>67,879</u>	<u>50,278</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 5 of the financial statements.

14. Share capital

	2022	2022	2021	2021
	Number of shares	€	Number of shares	€
Authorised				
Ordinary shares of €1,71 each	<u>5,000</u>	<u>8,550</u>	<u>5,000</u>	<u>8,550</u>
Issued and fully paid				
Balance at 1 January	<u>5,000</u>	<u>8,550</u>	<u>5,000</u>	<u>8,550</u>
Balance at 31 December	<u>5,000</u>	<u>8,550</u>	<u>5,000</u>	<u>8,550</u>

15. Trade and other payables

	2022	2021
	€	€
Trade payables	5,072	3,243
Trade payables to related parties	14,143	18,756
VAT	1,102	1,091
Accruals	24,825	25,031
Payables to related companies (Note 17.4)	<u>7,840</u>	<u>8,891</u>
	<u>52,982</u>	<u>57,012</u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

16. (Refundable) taxes/current tax liabilities

	2022	2021
	€	€
Corporation tax	<u>(1,934)</u>	<u>159</u>
	<u>(1,934)</u>	<u>159</u>

ECU WORLDWIDE (CYPRUS) LTD

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

17. Related party transactions

The following transactions were carried out with related parties:

17.1 Sales of services

		2022	2021
	<u>Nature of transactions</u>	€	€
Services rendered	Trade	42,841	16,715
		<u>42,841</u>	<u>16,715</u>

17.2 Purchases of services

		2022	2021
	<u>Nature of transactions</u>	€	€
Services received	Trade	450,185	219,078
Ecuhold NV	Management fees	14,400	14,400
Gantoni General Enterprises Ltd	Services rendered	113,997	113,997
		<u>578,582</u>	<u>347,475</u>

17.3 Receivables from related companies

		2022	2021
<u>Name</u>	<u>Nature of transactions</u>	€	€
Receivables from related companies	Trade	3,324	2,045
		<u>3,324</u>	<u>2,045</u>

17.4 Payables to related companies (Note 15)

		2022	2021
<u>Name</u>	<u>Nature of transactions</u>	€	€
Payables to related companies	Trade	14,143	18,756
Gantoni General Enterprises Ltd	Shipmanagement services	7,840	8,891
		<u>21,983</u>	<u>27,647</u>

18. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2022.

19. Commitments

The Company had no capital or other commitments as at 31 December 2022.

20. Events after the reporting period

As explained in the geopolitical situation in Eastern Europe intensified on 24 February 2022, with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these financial statements for issue, the conflict continues to evolve as military activity proceeds and additional sanctions are imposed.

Depending on the duration of the conflict between Russia and Ukraine, and continued negative impact on economic activity, the Company might experience further negative results, and liquidity restraints and incur additional impairments on its assets in 2022 which relate to new developments that occurred after the reporting period.

Independent auditor's report on pages 2 to 4

ECU WORLDWIDE (CYPRUS) LTD

DETAILED INCOME STATEMENT

31 December 2022

	Page	2022 €	2021 €
Revenue			
Credit sales		1,885,190	1,262,211
Cost of sales	21	<u>(1,628,006)</u>	<u>(1,081,940)</u>
Gross profit		257,184	180,271
Operating expenses			
Administration expenses	22	<u>(142,606)</u>	<u>(141,658)</u>
Operating profit		114,578	38,613
Finance income	23	3,589	1,173
Finance costs	23	<u>(2,835)</u>	<u>(1,399)</u>
Net profit for the year before tax		<u><u>115,332</u></u>	<u><u>38,387</u></u>

ECU WORLDWIDE (CYPRUS) LTD

COST OF SALES

31 December 2022

	2022 €	2021 €
Cost of sales		
Sea freight payable	1,259,438	688,845
Landing and destuffing charges	205,518	241,072
Transportation	21,394	35,233
Terminal and attendance	139,678	111,272
	<u>1,626,028</u>	<u>1,076,422</u>
Direct costs		
Insurance	1,978	5,518
	<u>1,978</u>	<u>5,518</u>
	<u>1,628,006</u>	<u>1,081,940</u>

ECU WORLDWIDE (CYPRUS) LTD

OPERATING EXPENSES

31 December 2022

	2022 €	2021 €
Administration expenses		
Services rendered	113,997	113,997
Municipality taxes	565	565
Annual levy	350	350
Sundry expenses	159	384
Telephone	2,659	2,916
Travelling expenses	2,016	1,956
Stationery and printing	2,150	1,534
Subscriptions and contributions	171	150
Computer supplies and maintenance	2,130	1,847
Auditors' remuneration	1,200	1,200
Legal and professional	350	120
Management fees	14,400	14,400
Postages and courier	2,357	2,137
Depreciation	102	102
	142,606	141,658

ECU WORLDWIDE (CYPRUS) LTD

FINANCE INCOME/COSTS

31 December 2022

	2022 €	2021 €
Finance income		
Interest income on tax refunds	64	-
Realised foreign exchange profit	<u>3,525</u>	<u>1,173</u>
	<u>3,589</u>	<u>1,173</u>
 Finance costs		
Interest expense		
Interest on taxes	12	2
 Sundry finance expenses		
Bank charges	<u>2,823</u>	<u>1,397</u>
	<u>2,835</u>	<u>1,399</u>

ECU WORLDWIDE (CYPRUS) LTD

COMPUTATION OF WEAR AND TEAR ALLOWANCES

31 December 2022

Year	%	COST			ANNUAL ALLOWANCES					Net value 31/12/2022 €	
		Balance 01/01/2022 €	Additions for the year €	Disposals for the year €	Balance 31/12/2022 €	Charge for the year €	On disposals €	Balance 31/12/2022 €			
<u>Furniture, fixtures and office equipment</u>											
2018	10	829	-	(829)	-	829	-	(829)	-	-	-
	10	1,020	-	-	1,020	408	102	-	510	510	510
		1,849	-	(829)	1,020	1,237	102	(829)	510	510	510
<u>Computer</u>											
2007	20	2,144	-	(2,144)	-	2,144	-	(2,144)	-	-	-
2013	20	1,888	-	-	1,888	1,888	-	-	1,888	-	-
2014	20	650	-	-	650	650	-	-	650	-	-
2015	20	585	-	-	585	585	-	-	585	-	-
2016	20	1,130	-	-	1,130	1,130	-	-	1,130	-	-
		6,397	-	(2,144)	4,253	6,397	-	(2,144)	4,253	-	-
<u>Computer software</u>											
2001	33	2,852	-	-	2,852	2,852	-	-	2,852	-	-
2002	33	4,521	-	-	4,521	4,521	-	-	4,521	-	-
		7,373	-	-	7,373	7,373	-	-	7,373	-	-
Total											
		15,619	-	(2,973)	12,646	15,007	102	(2,973)	12,136	510	510

ECU WORLDWIDE (CYPRUS) LTD

COMPUTATION OF DEFENCE CONTRIBUTION

31 December 2022

	Income €	Rate	Defence € c
INTEREST			
Interest that was subject to deduction at source	<u>64</u>		
	<u>64</u>	30%	19.20
Less: deductions at source			<u>(19.20)</u>
DEFENCE CONTRIBUTION DUE TO IRD			<u><u>-</u></u>

ECU WORLDWIDE (CYPRUS) LTD

COMPUTATION OF CORPORATION TAX

31 December 2022

	Page	€	€
Net profit per income statement	20		115,332
<u>Add:</u>			
Depreciation		102	
Annual levy		350	
Interest on taxes		12	
Travelling		2,016	
Professional tax		<u>411</u>	
			<u>2,891</u>
			118,223
<u>Less:</u>			
Annual wear and tear allowances	24	102	
Interest income		64	
Realised foreign exchange profit		<u>3,525</u>	
			<u>(3,691)</u>
Chargeable income for the year			<u><u>114,532</u></u>

Calculation of corporation tax

	Income €	Rate %	Total € c
Tax at normal rates:			
Chargeable income as above	<u>114,532</u>	12.50	14,316.50
Tax paid provisionally	<u>130,000</u>		<u>(16,250.00)</u>
TAX REFUNDABLE			<u><u>(1,933.50)</u></u>