



Esgana, Miranda-Esgana & Associates Certified Public Accountants

REPORT OF INDEPENDENT AUDITOR

The Board of Directors

ECU-WORLDWIDE (PHILIPPINES) INC.

TIN:209-009-844-000

Unit 804-805 8TH Flr. Scape Bldg. D Macapagal Blvd. Pasay City

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of **ECU-WORLDWIDE (PHILIPPINES) INC.** which comprise the statements of financial position as at December 31, 2017 and the statements of income for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **ECU-WORLDWIDE (PHILIPPINES) INC.** as at December 31, 2017, and its financial performance and for the year then ended in accordance with Philippine Financial Reporting Standards (PFRS) for Small and Medium Sized Entities (SMEs).

Basis for Opinion

I conducted my audit, in accordance with Philippine Standards on Auditing (PSA). My responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of my report. I am **independent** of the Company in accordance with the Philippine Ethics Standards Board for Accountants (PESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in the Philippines, the Code of Ethics for Professional Accountants in the Philippine (Philippine Code of Ethics), and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Material Uncertainty Related to Going—Concern

Having regard to the future period to which those charged with governance have paid particular attention in assessing going concern. I have planned and performed procedures specifically designed to identify any material matters which could indicate concern about the entity's ability to continue as a going concern. No events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Use of going concern basis of accounting is appropriate and no material uncertainty has been identified.

Emphasis of Matter

I draw attention to the financial statements which describes the policy adopted by the company of when an entity should adjust its financial statements for events after the reporting period; and the disclosures that an entity should give about the date when the financial statements were authorized for issue and about events after the reporting period.

Key Audit Matters

Key audit matters are those matter that, in my professional judgment were most significance in my audit of the financial statements of the current period. These matters were significance in my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



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I have determined that there are no key audit matters to communicate my report.

My opinion on the financial statements does not cover the information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to send other **information and in doing so** identified above when it becomes available and, in doing so, considers whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS for the SMEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for **assessing the company's ability to continue as a going concern**, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with the governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSA, I exercise professional judgment and maintain professional skepticism throughout the audit I also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of the accounting policies used in reasonableness of the accounting estimates and related disclosures made by the management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide time charged with a statement that I have complied with relevant ethical requirements regarding Independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

I describe these matters in my auditor's report unless law regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Supplementary Information Required under Revenue Regulation 15-2010 of the Bureau of Internal Revenue

My audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 20 as hereto included in a separate schedule is presented for **purposes of filing with the Bureau of Internal Revenue** and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in my audits of the basic financial statements. In my opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


SUSAN MIRANDA-ESGANA

Partner; CPA Cert. No. 57272

PTR No. 1249287 issued on 01/11/2018, Paranaque City

TIN: 132-140-697-000

BIR A.N. 08-005908-001-2017 issued on 03/08/2017; effective until 03/07/2020

BOA/ PRC Reg. No. 1689 effective until December 31, 2019

Paranaque City

March 31, 2018

ECU WORLDWIDE (PHILIPPINES), INC.
STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)
AS OF DECEMBER 31, 2017

Accounts	Notes	DEC.31,2017		DEC.31,2016	
		Financial Position		Financial Position	
		Local	Eur	Local	Eur
Cash & equivalents	3	6,728,221	112,563	3,907,954	74,955
Accounts receivable		54,676,436	914,737	50,063,395	960,216
Deposits	4	4,676,947	78,245	4,161,947	79,826
Prepayment & advances		1,327,392	22,207	9,862,066	189,154
Property & equipment - net	5	4,964,407	83,055	222,793	4,273
Total Assets		72,373,403	1,210,807	68,218,155	1,308,424
Accounts payable - trade		25,845,103	432,389	27,156,853	520,868
Accounts payable - non trade	6	4,829,560	80,799	3,186,354	61,114
Accrued expenses		176,535	2,953	1,778,644	34,114
Total Liabilities		30,851,198	516,141	32,121,851	616,097
Share capital		10,000,000	167,300	10,000,000	191,800
Profit after tax for the period		5,425,902	90,775	4,447,913	85,311
Retained earnings, end.		31,522,205	527,366	26,096,304	500,527
Total Shareholders Equity	7	41,522,205	694,666	36,096,304	692,327
Total Liabilities & Shareholders Equity		72,373,403	1,210,807	68,218,155	1,308,424

ECU WORLDWIDE (PHILIPPINES), INC.
CONSOLIDATED STATEMENTS OF TOTAL COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017			2016		
	Financial Performance			Financial Performance		
	Local	Eur	%	Local	Eur	%
Gross revenue:						
Operational revenue	359,045,140.57	6,333,556.28		377,240,829.76	7,193,982.62	
Other revenue	414.95	7.32		45,254.51	863.00	
Total gross revenue	359,045,555.52	6,333,563.60	100.00%	377,286,084.27	7,194,845.63	100.00%
Less Operational cost	292,642,433.01	5,162,212.52	81.51%	318,958,492.21	6,082,538.45	84.54%
Gross profit	66,403,122.51	1,171,351.08	18.49%	58,327,592.06	1,112,307.18	15.46%
Less General & administrative exp	58,551,382.22	1,032,846.38	16.31%	51,956,277.37	990,806.21	13.77%
Profit from operating activities	7,851,740.29	138,504.70	2.19%	6,371,314.69	121,500.97	1.69%
Less Other charges	100,430.37	1,771.59	0.03%	17,152.77	327.10	0.00%
Profit before income tax	7,751,309.92	136,733.11	2.16%	6,354,161.92	121,173.87	1.68%
Less Income tax	2,325,408.34	41,020.20	0.65%	1,906,248.58	36,352.16	0.51%
Profit for the year from operations	5,425,901.58	95,712.90	1.51%	4,447,913.34	84,821.71	1.18%

ECU WORLDWIDE (PHILIPPINES), INC.
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

		2017	
3 Cash & equivalents		Dec31.2017	
		Local	Eur
A-IX. A. Cash (Main Cash and Petty Cash) Balance		325,756	5,450
A-IX. A. Petty Cash		5,677	95
A-IX. A. China Trust Bank Cebu - Manilla (PHP)		1,668,010	27,906
A-IX. A. BANK OF THE PHILIPPINE ISLANDS - Manilla (PHP)		289,885	4,850
A-IX. A. China Trust Bank Cebu - Cebu (PHP)		3,701	62
A-IX. A. China Trust Bank Cebu - Manilla (USD)		593,175	9,924
A-IX. A. UnionBank of the Philippines		3,842,015	64,277
		6,728,221	112,563

4 Deposits		Local	Eur
Guarantees given		3,394,124	56,784
Container Deposits EST COST		1,149,822	19,237
Container Deposits ACT COST		2,721,000	45,522
Container Deposits ACT REV		(2,588,000)	(43,297)
			0
		4,676,947	78,245

5 Property & equip't		Dec31.2017	
		Local	Eur
Cost :			
Furnitures & Fixtures			0
Office Equipment		6,307,252	105,520
Transportation equipment		4,262,953	71,319
Leasing and other Similar rights		6,290,402	105,238
Total at cost		16,860,607	282,078
Accumulated depreciation:			
Accum. Dep. - Furniture & Fix			0
Accum. Dep. - Office Equipment		4,959,860	82,978
Accum. Dep. - Transportation equipment		4,262,953	71,319
ACCUM.-DEP. LEASEHOLD AT COST		2,673,387	44,726
Total accum.deprn.		11,896,200	199,023
Net book value:			
Furnitures & Fixtures		0	0
Office Equipment		1,347,392	22,542
Transportation equipment		0	0
Leasehold Improvements		3,617,016	60,513
Net value		4,964,407	83,055

6 Accounts payable-non trade		Local	Eur
Staff related - SSS, etc.		2,908,000	48,651
Income and other taxes		1,921,560	32,148
		4,829,560	80,799