Crowe Horwath™

Eurocentre FZCO
Jebel Ali Free Zone
Dubai - United Arab Emirates

Auditor's report & financial statements
For the year ended December 31, 2016

Eurocentre FZCO

Jebel Ali Free Zone
Dubai - United Arab Emirates

Table of contents

General information

Principal office address	:	M/s. Plot No. MO0109, Jebel Ali Free Zone P. O. Box: 28430, Dubai, United Arab Emirates T: +971 4 8817696 F: +971 4 8819545	
Website	:	www.eculine.net	
Managing Director	:	Name Don Varuna Wirasinha (on behalf of Ecuhold N.V.)	Nationality Sri Lankan
The Auditor	:	Horwath MAK P.O. Box 6954 Sharjah, United Arab Emirates	
The Bank	:	United Arab Bank	

Eurocentre FZCO
Jebel Ali Free Zone
Dubai - United Arab Emirates

Director Report

The Director has the pleasure in presenting his report and the audited financial statements for the year ended December 31, 2016.

Principal activities of the Entity :

The principal activities of the entity are unchanged since the previous year and consist of container loading and unloading services and cargo loading and unloading services.

Financial review:

The table below summarizes the results of 2016 and 2015.

	2016	2015
	AED	AED
Revenue	10,870,265	10,853,319
Gross profit	5,013,728	5,283,575
Gross profit margin	5,013,728	5,283,575
Net profit for the year	1,645,701	1,421,020

Role of the Director:

The Director are the Entity's principal decision-making forum. The Director has the overall responsibility for leading and supervising the Entity for delivering sustainable shareholder value through its guidance and supervision of the Entity's business. The Director sets the strategies and policies of the Entity. He monitors performance of the Entity's business, guides and supervises its management.

Going concern:

The attached financial statements have been prepared on a going concern basis. While preparing the financial statements the management has made an assessment of the Entity's ability to continue as a going concern. The management has not come across any evidence that causes it to believe that material uncertainties related to the events or conditions existed, which may cast significant doubt on the Entity's ability to continue as a going concern.

Events after year end:

In the opinion of the Director no transaction or event of a material and unusual nature, favourable or unfavourable has arisen in the interval between the end of the financial year and the date of this report, that is likely to affect, substantially the result of the operations or the financial position of the Entity.

Auditor:

M/s. Horwath MAK, Sharjah, United Arab Emirates is willing to continue in office and a resolution to re-appoint them will be proposed in the Annual General Meeting.

Statement of Director' responsibilities:

The applicable requirements, requires the Director to prepare the financial statements for each financial year which presents fairly in all material respects, the financial position of the Entity and its financial performance for the year then ended.

The audited financial statements for the year under review, have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Director confirms that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the Entity and enables them to ensure that the financial statements comply with the requirements of applicable statute. The Director also confirms that appropriate accounting policies have been selected and applied consistently in order that the financial statements reflect fairly the form and substance of the transactions carried out during the year under review and reasonably present the Entity's financial conditions and results of its operations.

These financial statement were approved by the Board and signed on behalf by the authorized representative of the Entity.

Don Varuna Wirasinha
Managing Director
February 15, 2017

يوروسنتر ش م ح
P.O. Box: 28430
DUBAI - U.A.E.
EUROCENTRE FZCO

Crowe Horwath

Horwath MAK
Auditors & Business Advisors
Member Crowe Horwath International

Level 21, The Prism,
Business Bay, Sheikh Zayed Road,
P O Box 6747, Dubai, UAE.
T + 971 4 447 3951
F + 971 4 447 3961
www.crowehorwath.ae

Ref: HS/2659/Feb 2017

Independent auditor's report

To,
The Shareholder
Eurocentre FZCO
Jebel Ali Free Zone
Dubai - United Arab Emirates

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Eurocentre FZCO, Jebel Ali Free Zone, Dubai - United Arab Emirates ("Entity") which comprise the statement of financial position as at December 31, 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2016, 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 Entity in accordance with the requirements of Code of Ethics for Professional Accountants, issued by International Ethics Standards Board for Accountants (IESBA) together with ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management

Management 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 skepticism 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.

Crowe Horwath

Horwath MAK
Auditors & Business Advisors
Member Crowe Horwath International

Level 21, The Prism,
Business Bay, Sheikh Zayed Road,
P O Box 6747, Dubai, UAE.
T + 971 4 447 3951
F + 971 4 447 3961
www.crowehorwath.ae

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 Entity'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 Entity to cease to continue as a going concern.

We communicate with management 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

As required by the Implementing Regulation 1/92 pursuant of Law No. 9 of 1992; applicable to Jebel Ali Free Zone entities, we further confirm that,

1 We have obtained all the information and explanations which we consider necessary for our audit,

2 The financial statements have been prepared and comply in all material respects with the applicable provisions of the Implementing Regulation 1/92 pursuant of Law No. 9 of 1992; applicable to Jebel Ali Free Zone entities,, and the Memorandum and Articles of Association of the Entity,

3 Proper books of accounts have been maintained by the Entity,

4 The contents of the Directors' report which relates to the financial statements are in agreement with the Entity's books of account,

5 The Entity has not made any investments in share and stocks during the year ended December 31, 2016,

6 Note 5 to the financial statements reflects the disclosures relating to material related party transactions and the terms under which they were conducted,

7 Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Entity has contravened, during the financial year ended, any of the applicable provisions of the Implementing Regulation 1/92 pursuant of Law No. 9 of 1992; applicable to Jebel Ali Free Zone entities, or the Memorandum and Articles of Association of the Entity, which would materially affect its activities or its financial position as of December 31, 2016.

Atik Munshi
Senior Partner
Regn. No. 483
Horwath MAK
Dubai - United Arab Emirates

Horwath MAK
P.O. Box 6747, DUBAI U.A.E.

February 15, 2017

Eurocentre FZCO
Jebel Ali Free Zone
Dubai - United Arab Emirates

Statement of financial position as at December 31, 2016
(In Arab Emirates Dirham)

	Notes	2016	2015
Assets			
Non-current assets			
Property, plant and equipment	4	**2,105,417**	1,685,065
Total non current assets		**2,105,417**	1,685,065
Current assets			
Advances, deposits and other receivables	6	**393,618**	822,344
Due from related party	5	**1,922,380**	834,463
Cash and bank balances	7	**253,173**	1,205,575
Total current assets		**2,569,171**	2,862,382
Total assets		**4,674,588**	4,547,447
Equity and liabilities			
Equity			
Share capital	8	**1,300,000**	1,300,000
General reserve	9	**583,208**	418,638
Retained earnings	10	**1,481,131**	1,278,918
Total equity		**3,364,339**	2,997,556
Non-current liabilities			
Employees' end of service benefits	11	**981,757**	962,924
Total non-current liabilities		**981,757**	962,924
Current liabilities			
Trade and other payables	12	**328,492**	586,967
Total current liabilities		**328,492**	586,967
Total liabilities		**1,310,249**	1,549,891
Total equity and liabilities		**4,674,588**	4,547,447

The accompanying notes form an integral part of these financial statements.

The report of the auditor is set out on pages 3-4.

The financial statements on pages 5-24 were approved on February 15, 2017 and signed on behalf of the Entity, by:

Don Varuna Wirasinha
Managing Director

يوروسنتر ش م ح
P.O. Box: 28430
DUBAI - U.A.E.
EUROCENTRE FZCO

HORWATH MAK
Identification Mark

Eurocentre FZCO
Jebel Ali Free Zone
Dubai - United Arab Emirates

Statement of profit or loss and other comprehensive income for the year ended December 31, 2016
(In Arab Emirates Dirham)

	Notes	2016	2015
Revenue	13	**10,870,265**	10,853,319
Direct cost	14	**(5,856,537)**	(5,569,744)
Gross profit		**5,013,728**	5,283,575
Other income	15	**102,134**	138,620
Administrative expenses	16	**(3,470,161)**	(4,001,175)
Profit for the year		**1,645,701**	1,421,020
Total comprehensive income for the year		**1,645,701**	1,421,020

The accompanying notes form an integral part of these financial statements.

The report of the auditor is set out on pages 3-4.

The financial statements on pages 5-24 were approved on February 15, 2017 and signed on behalf of the Entity, by:

Don Varuna Wirasinha
Managing Director

يوروسنتر ش م ح
P.O. Box: 28430
DUBAI - U.A.E.
EUROCENTRE FZCO

HORWATH MAK
Identification Mark

Eurocentre FZCO
Jebel Ali Free Zone
Dubai - United Arab Emirates

Statement of changes in equity for the year ended December 31, 2016
(In Arab Emirates Dirham)

	Share capital	Stautory reserve	Retained earnings	Shareholders' loan	Total equity
Balance as at December 31, 2014	1,300,000	276,536	1,216,992	(572,858)	2,220,670
Profit for the year	-	-	1,421,020	-	1,421,020
Tranferred to statutory reserve	-	142,102	(142,102)	-	-
Dividends	-	-	(1,216,992)	-	(1,216,992)
Net movements	-	-	-	572,858	572,858
Balance as at December 31, 2015	1,300,000	418,638	1,278,918	-	2,997,556
Profit for the year	-	-	1,645,701	-	1,645,701
Tranferred to statutory reserve	-	164,570	(164,570)	-	-
Dividends	-	-	(1,278,918)	-	(1,278,918)
Balance as at December 31, 2016	**1,300,000**	**583,208**	**1,481,131**	**-**	**3,364,339**

The accompanying notes form an integral part of these financial statements.

The report of the auditor is set out on pages 3-4.

HORWATH MAK * Identification Mark *

Eurocentre FZCO
Jebel Ali Free Zone
Dubai - United Arab Emirates

Statement of cash flows for the year ended December 31, 2016
(In Arab Emirates Dirham)

	2016	2015
Cash flows from operating activities		
Net profit for the year	1,645,701	1,421,020
Adjustments for:		
Depreciation on property, plant and equipment	529,399	373,885
Provision for employees' end of service benefits	21,000	305,000
	2,196,100	2,099,905
(Increase) / decrease in current assets		
Advances, deposits and other receivables	428,726	(96,621)
Due from related party	(1,087,917)	(834,463)
Increase / (decrease) in current liabilities		
Trade and other payables	(258,475)	109,680
Due to related party	-	(7,917)
Cash generated from operations	1,278,434	1,270,584
Employees' end-of-services benefits paid	(2,167)	(20,076)
Dividend paid	(1,278,918)	(1,216,992)
Net cash (used in) / from operating activities	(2,651)	33,516
Cash flows from investing activities		
Purchase of property, plant and equipment	(949,751)	(847,338)
Net cash (used in) investing activities	(949,751)	(847,338)
Cash flows from financing activities		
Shareholders' loan	-	572,858
Net cash from financing activities	-	572,858
Net (decrease) in cash and cash equivalents	(952,402)	(240,964)
Cash and cash equivalents, beginning of the year	1,205,575	1,446,539
Cash and cash equivalents, end of the year	253,173	1,205,575
Cash and cash equivalents		
Cash in hand	10,000	10,000
Cash at banks	243,173	1,195,575
	253,173	1,205,575

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 3-4.

HORWATH MAK ★ Identification Mark ★

1 Legal status and business activities

1.1 Eurocentre FZCO, Jebel Ali Free Zone, Dubai – United Arab Emirates (the "Entity") was registered on January 01, 2004 as a Limited Liability Company (LLC) and operates in the United Arab Emirates under a service license issued by the Commercial Registration Department of Jebel Ali Free Zone Authority.

1.2 The principal activities of the Entity are unchanged since the previous year and consist of containers loading and unloading services and cargo loading and unloading service.

1.3 The registered office of the Entity located at Plot No. MO0109, Jebel Ali Free Zone, P.O. Box 28430, Dubai, United Arab Emirates.

1.4 The management and control are vested with Mr. Don Varuna Wirasinha, managing director, Sri Lankan national.

1.5 These financial statements incorporate the operating results of the service license no. 4577.

2 New and amended standards

2.1 New and revised IFRSs applied with no material effect on the financial statements

The Entity has applied the following standards and amendments for the first time for their annual reporting period commencing January 1, 2016. The adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

Annual Improvements to IFRSs 2012-2014 cycles:

- IFRS 5 " Non-current Assets Held for Sale and Discontinued Operations ": Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

- IFRS 7 "Financial Instruments: Disclosures": Adds additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of determining the disclosures required. Further with consequential amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards", clarifies the applicability of the amendments to IFRS 7 on offsetting disclosures to

- IAS 19 "Employee Benefits": Clarifies that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid (thus, the depth of the market for high quality corporate bonds should be assessed at currency level).

- IAS 34 "Interim Financial Reporting": Clarifies the meaning of 'elsewhere in the interim report' and requires a cross-reference.

Amendments to IFRS 11 "Joint Arrangements" clarify accounting for acquisitions of an Interests in Joint Operations where the activities of the operation constitute a business.

Amendments to IAS 16 "Property, Plant and Equipmentment"and IAS 38 "Intangible Assets"clarify that revenue-based method of depreciation or amortisation is generally not appropriate.

Amendments to IAS 16 "Property, Plant and Equipmentment" and IAS 41 "Agriculture" require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with

Disclosure Initiative-Amendments to IAS 1"Presentation of Financial Statements" makes the following changes:

- Materiality: The amendments clarify that (1) information should not be obscured by aggregating or by providing immaterial information, (2) materiality considerations apply to the all parts of the financial statements, and (3) even when a standard requires a specific disclosure, materiality considerations do apply.

HORWATH MAK ★ Identification Mark ★

2 New and amended standards (continued)

2.1 New and revised IFRSs applied with no material effect on the financial statements (continued)

- Disaggregation and subtotals: The amendments (1) introduce a clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and (2) clarify that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss.
- Notes: The amendments add additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented. The IASB also removed guidance and examples with regard to the identification of significant accounting policies that were perceived as being potentially unhelpful.

Amendments to IAS 27 "Separate Financial Statements" which allow an entity to account for investments in subsidiaries, joint ventures and associates either at cost or as financial asset in accordance with IAS 39/IFRS 9 or using the equity method in an entity's separate financial statements. The amendments introduce the equity method as a third option.

Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 28 "Investments in Associates and Joint Ventures ": Clarifies the exception from preparing consolidated financial statements available to intermediate parent entities which are subsidiaries of investments entities.

2.2 New and revised standards and amendments in issue but were not mandatory for annual reporting periods ending December 31, 2016

New and revised standards and amendments	Effective for annual periods beginning on or after
Amendments in Disclosure Initiative (Amendments to IAS 7 Statement of Cash Flows) that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.	January 1, 2017
IFRS 9 "Financial Instruments": Issued on 24 July 2014 is the IASB's replacement of IAS 39 Financial Instruments: Recognition and Measurement. The Standard includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting. The IASB completed its project to replace IAS 39 in phases, adding to the standard as it completed each phase. The version of IFRS 9 issued in 2014 supersedes all previous versions and is mandatorily effective for periods beginning on or after 1 January 2018 with early adoption permitted (subject to local endorsement requirements).	January 1, 2018

	Effective for annual periods beginning on or after
IFRS 15 "Revenue from Contracts with Customers": IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations when it becomes effective.	January 1, 2018

HORWATH MAK Identification Mark

2 New and amended standards (continued)

2.2 New and revised standards and amendments in issue but were not mandatory for annual reporting periods ending December 31, 2016 (continued)

IFRS 16 "Leases": The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 supersedes IAS 17 'Leases' and related interpretations. Earlier adoption permitted if IFRS 15 'Revenue from Contracts with Customers' has also been applied.	January 1, 2019

Management anticipates that these new standards, interpretations and amendments will be adopted in the financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the financial statements in the period of initial application. There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3 Significant accounting policies

3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards and applicable requirements of UAE Laws. These financial statements are presented in United Arab Emirates Dirham (AED) which is the Entity functional and presentation currency.

3.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for assets or goods or services.

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

3.3 Current/Non current classification

The Entity presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

Expected to be realised or intended to sold or consumed in normal operating cycle or held primarily for the purpose of trading or expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.
A liability is current when it is expected to be settled in normal operating cycle or it is held primarily for the purpose of trading or it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Entity classifies all other liabilities as non-current.

3.4 Foreign currency

The transactions in currencies other than the Entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. 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 that are measured in terms of historical cost in a foreign currency are not retranslated.

HORWATH MAK * Identification Mark *

3 Significant accounting policies (continued)

3.4 Foreign currency (continued)

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3.5 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, together with any incidental expense of acquisition. Cost also includes transfers from equity of any gains or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation is spread over its useful lives so as to write off the cost of property, plant and equipment (other than freehold land and properties under construction), using the straight-line method over its useful lives as follows:

	Years
Building and improvements	10
Motor vehicles	4
Office furniture and equipment	3-4
Warehouse and equipment	3-5

When part of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The 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 recognized in the statement of profit or loss.

3.6 Impairment of tangible assets

At the end of each reporting period, the Entity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss.

3 Significant accounting policies (continued)

3.6 Impairment of tangible assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit or loss.

3.7 Financial instruments

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

3.8 Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss ' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'.

All financial assets are recognised 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 assets and is determined at the time of initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in the current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Entity's loans and receivables comprise "trade and other receivables", "cash and cash equivalents", due from related parties", "shareholders' loan" and "loan from related parties" in the statement of financial position. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are amounts due from customers for merchandise 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 and other receivables are initially recognised at fair value and subsequently measured at amortised cost reduced by appropriate allowance for estimated doubtful debts.

Due from/loan to related parties

Due from/loans to related parties are measured at amortised cost.

Impairment of financial assets

HORWATH MAK
Identification Mark

3 Significant accounting policies (continued)

3.8 Financial assets (continued)

Assets carried at amortised cost

The Entity assesses at the end of each reporting period, whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are recognized only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

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 recognised in the statement of profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the statement of profit or loss.

Derecognition of financial assets

The Entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Entity recognises its retained interest in the asset and an associated liability for the amounts, it may have to pay. If the Entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the Entity continues to recognise the financial asset.

3.9 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. All financial liabilities are recognised initially at fair value and payables, net of directly attributable transaction costs. The Entity's financial liabilities include trade and other payables and due to related parties.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trades payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.Trade and other payables are recognised initially at fair value and subsequently are measured at amortised cost using effective interest method.

Due to related parties

Amounts due to/loan from related parties are stated at amortised cost.

HORWATH MAK Identification Mark

3 Significant accounting policies (continued)

3.9 Financial liabilities (continued)

Derecognition of financial liabilities

The Entity derecognises financial liabilities when, and only when, the Entity's obligations are discharged, cancelled or they expire. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3.10 Offsetting financial instruments

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

3.11 Provisions

Provisions are recognised 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 recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.12 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract, when the outcome of the transaction and related revenue and cost can be measured reliably, and that economic benefit flows to the Entity.

3.13 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Entity's accounting policies, which are described in policy notes, the management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is 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 periods.

3 Significant accounting policies (continued)

3.13 Critical accounting judgements and key sources of estimation uncertainty (continued)

The significant judgments and estimates made by management, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

Critical judgements in applying accounting policies

In the process of applying the Entity's accounting policies, which are described above, and due to the nature of operations, management makes the following judgment that has the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

Under normal circumstances, in recognising the revenue the management is of the view that in line with the requirement of IAS 18 "Revenue", the risk and reward of ownership is transferred to the buyers of the goods and services and that revenue is reduced for the estimated returns, rebate and other allowances (if any).

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Allowance for doubtful debts

Allowances for doubtful debts are determined using a combination of factors to ensure that trade receivables are not overstated due to uncollectibility. The allowance for doubtful debts for all customers is based on a variety of factors, including the overall quality and ageing of receivables, continuing credit evaluation of the customer's financial conditions and collateral requirements from customers in certain circumstances. In addition, specific allowances for individual accounts are recorded when the Entity becomes aware of the customer's inability to meet its financial obligations.

Useful lives of property and equipment

Property and equipment is depreciated over its estimated useful life, which is based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

HORWATH MAK ★ Identification Mark ★

4 Property, plant and equipment

	Building and improvements	Warehouse and equipment	Motor vehicles	Office furniture and equipment	Total
Cost					
As at December 31, 2014	7,123,736	3,779,075	708,368	92,011	11,703,190
Additions during the year	140,000	400,600	212,000	94,738	847,338
Written off during the year	-	(250,000)	-	-	(250,000)
As at December 31, 2015	7,263,736	3,929,675	920,368	186,749	12,300,528
Additions during the year	432,521	488,850	-	28,380	949,751
As at December 31, 2016	**7,696,257**	**4,418,525**	**920,368**	**215,129**	**13,250,279**
Accumulated depreciation					
As at December 31, 2014	6,534,452	3,440,375	453,528	63,223	10,491,578
Charge for the year	90,454	169,850	89,616	23,965	373,885
Written off during the year	-	(250,000)	-	-	(250,000)
As at December 31, 2015	6,624,906	3,360,225	543,144	87,188	10,615,463
Charge for the year	122,126	242,880	127,428	36,965	529,399
As at December 31, 2016	**6,747,032**	**3,603,105**	**670,572**	**124,153**	**11,144,862**
Carrying value as at December 31, 2016	**949,225**	**815,420**	**249,796**	**90,976**	**2,105,417**
Carrying value as at December 31, 2015	638,830	569,450	377,224	99,561	1,685,065

Some of the above equipment and vehicles are registered in the name of related party and is held for the benificial interest of the Entity.

Depreciation	2016	2015
Direct cost (Note 14)	370,308	260,304
Administration cost (Note 16)	159,091	113,581
	529,399	373,885

5 Related party transactions

The Entity enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24, Related party disclosures. Related parties comprise entities under common ownership and/or common management and control; their partners and key management personnel.

The management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as other charges, if applicable.

	2016	2015
a) Due from related party		
Ecu line Middle East L.L.C, Dubai - U.A.E.	1,922,380	834,463
	1,922,380	834,463

b) Transactions with related parties

The nature of significant related party transactions and the amounts involved were as follows:

	For the year ended December 31,	
	2016	2015
Revenue	10,870,265	10,853,319
Direct costs	1,213,907	1,211,163
Warehouse rental income	84,000	84,000
Salaries and benefits	5,335,922	4,973,755
Management fee expense	698,377	699,287

6 Advances, deposits and other receivables

Prepayments	77,048	568,344
Deposits	279,000	254,000
Other	37,570	-
	393,618	822,344

7 Cash and bank balances

Cash in hand	10,000	10,000
Cash at banks	243,173	1,195,575
	253,173	1,205,575

8 Share capital

Authorised, issued and paid up capital of the Entity is AED 1,300,000, divided into 13 share of AED 100,000 fully paid.

The details of the shareholding as at reporting date are as follows:

Name of Shareholders	Nationality /Registered	Percentage	No of shares	2016	2015
Heirs of Juma Saif Rashid Bin Bakhit	Emirati	14%	2	200,000	200,000
M/s. Ecuhold N.V.	Belgium	86%	11	1,100,000	1,100,000
		100%	13	1,300,000	1,300,000

Mr. Juma Saif Rashid Bin Bakhit Al Falasi, the shareholder of the Entity has died in 2015 and Dubai Court has appointed his daughter Miss Maitha Juma Saif Rashid Bin Bakhit Al Falasi as legal heirs through the court order dated August 10, 2015.

Eurocentre FZCO
Jebel Ali Free Zone
Dubai - United Arab Emirates

Notes to the financial statements for the year ended December 31, 2016
(In Arab Emirates Dirham)

9 Statutory reserve

	2016	2015
Balance at the beginning of the year	418,638	276,536
Add: Transferred from net profits	164,570	142,102
Balance at the end of the year	583,208	418,638

According to the Articles of Association of the Entity and UAE Federal Commercial Companies Law, 10% of annual net profits is allocated to the statutory reserve. The transfer to statutory reserve may be suspended, when the reserve reaches 50% of the paid up capital. This reserve is not available for distribution.

10 Retained earnings

	2016	2015
Balance at the beginning of the year	1,278,918	1,216,992
Profit for the year	1,645,701	1,421,020
Transferred to statutory reserves	(164,570)	(142,102)
Dividends paid	(1,278,918)	(1,216,992)
Balance at the end of the year	1,481,131	1,278,918

11 Employees' end of service benefits

	2016	2015
Balance at the beginning of the year	962,924	678,000
Add: charge for the year	21,000	305,000
Less: paid during the year	(2,167)	(20,076)
Balance at the end of the year	981,757	962,924

Amounts required to cover end of service indemnity at the statement of financial position date are computed pursuant to the applicable Labour Law based on the employees' accumulated period of service and current basic remuneration at the end of reporting period.

12 Trade and other payables

	2016	2015
Trade payables	-	119,991
Provisions and accruals	328,492	466,976
	328,492	586,967

HORWATH MAK
Identification Mark

Eurocentre FZCO
Jebel Ali Free Zone
Dubai - United Arab Emirates

Notes to the financial statements for the year ended December 31, 2016
(In Arab Emirates Dirham)

	For the year ended December 31,	
13 Revenue	**2016**	**2015**
Income: Within U.A.E.	**10,870,265**	10,853,319
	10,870,265	10,853,319

14 Direct cost

	2016	2015
Direct cost of export and related activities	**1,213,907**	1,211,163
Rent	**203,755**	203,755
Salaries and benefits	**3,735,145**	3,332,416
Depreciation on property. plant and equipment (note 4)	**370,308**	260,304
Fuel comsuption	**291,167**	502,945
Other direct costs	**42,255**	59,161
	5,856,537	5,569,744

15 Other income

	2016	2015
Scrap sales	**18,134**	54,620
Warehouse rental income	**84,000**	84,000
	102,134	138,620

16 Administrative expenses

	2016	2015
Salaries and related benefits	**1,600,777**	1,946,339
Management fee	**698,377**	699,287
Printing and stationery	**14,027**	25,029
Travelling and entertainment	**8,398**	352,948
Legal, visa and professional	**135,170**	55,925
Utilities	**61,877**	63,466
Repair and maintenance	**530,573**	617,979
Telephone and communications	**49,828**	34,206
Depreciation on property, plant and equipment (Note 4)	**159,091**	113,581
Insurance	**195,386**	85,571
Bank charges	**4,657**	6,844
Others	**12,000**	-
	3,470,161	4,001,175

HORWATH MAK ★ Identification Mark ★

17 Financial instruments

a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 3 to the financial statements.

b) Fair value of financial assets and financial liabilities that are not measured at fair value on recurring basis

	As at December 31,		As at December 31,	
	2016	2015	**2016**	2015
Financial assets	Carrying amount		Fair value	
Other receivables	**316,570**	254,000	**316,570**	254,000
Due from related party	**1,922,380**	834,463	**1,922,380**	834,463
Cash and bank balances	**253,173**	1,205,575	**253,173**	1,205,575
	2,492,123	2,294,038	**2,492,123**	2,294,038
Financial liabilities				
Trade and other payables	**328,492**	586,967	**328,492**	586,967
	328,492	586,967	**328,492**	586,967

Financial instruments comprise of financial assets and financial liabilities.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable and willing parties.

Financial assets consist of due from related party, cash and bank balances, trade receivables, and certain other assets. Financial liabilities consist of trade payables and certain other liabilities.

As at reporting date financial assets and financial liabilities are approximates their carrying values.

18 Financial risk management objectives

The Entity management set out the Entity's overall business strategies and its risk management philosophy. The Entity's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the Entity. The Entity policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk), liquidity risk and credit risk. Periodic reviews are undertaken to ensure that the Entity's policy guidelines are complied with.

There has been no change to the Entity's exposure to these financial risks or the manner in which it manages and measures the risk.

HORWATH MAK ★ Identification Mark ★

18 Financial risk management objectives (continued)

a) Foreign currency risk management

The Entity does not have any significant exposure to currency risk, as most of its assets and liabilities are denominated in Arab Emirates Dirham.

b) Interest rate risk management

As at the reporting date, there is no significant interest rate risk as there are no borrowings at year end.

c) Liquidity risk management

Ultimate responsibility for liquidity risk management rest with the management which has built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Entity has access to interest free loans from its shareholders at its disposal to further reduce liquidity risk.

Liquidity and interest risk tables:

The table below summarises the maturity profile of the Entity's financial assets and financial liabilities. The contractual maturities of the financial assets and financial liabilities have been determined on the basis of the remaining period at the financial position date to the contractual maturity date. The maturity profile of the assets and liabilities at the statement of financial position date based on contractual repayment arrangements were as follows:

	Non Interest bearing			
Particulars	**On demand or less than 3 months**	**Within 1 year**	**More than 1 year**	**Total**
		As at December 31, 2016		
Financial assets				
Other receivables	-	316,570	-	316,570
Due from related parties	-	1,922,380	-	1,922,380
Cash at banks	253,173	-	-	253,173
	253,173	2,238,950	-	2,492,123
Financial liabilities				
Trade and other payables	-	328,492	-	328,492
	-	328,492	-	328,492

18 Financial risk management objectives (continued)

Particulars	Non Interest bearing			
	On demand or less than 3 months	Within 1 year	More than 1 year	Total
	As at December 31, 2015			
Financial assets				
Other receivables	-	254,000	-	254,000
Due from related parties	-	-	834,463	834,463
Cash at banks	1,205,575	-	-	1,205,575
	1,205,575	254,000	834,463	2,294,038
Financial liabilities				
Trade and other payables	-	586,967	-	586,967
	-	586,967	-	586,967

d) Credit risk management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Entity. The Entity has adopted a policy of only dealing with creditworthy counterparties. The Entity's exposure are continuously monitored and their credit exposure is reviewed by the management regularly and the Entity maintains an allowance for doubtful debts based on expected collectability of all trade receivables.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amounts of the financial assets recorded in the financial statements, which is net of impairment losses, represents the Entity's maximum exposure to credit risks.

19 Capital risk management

The Entity manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to the stakeholders through the optimization of the equity balance. The Entity's overall strategy remains unchanged from prior year.

HORWATH MAK ★ Identification Mark ★

20 Contingent liabilities

Except for the ongoing business obligations which are under normal course of business, there has been no other known contingent liability on Entity's financial statements as of reporting date.

21 Commitments

Except for the ongoing business obligations which are under normal course of business, there has been no other known commitment on Entity's financial statements as of reporting date.

22 Comparative amounts

Certain amounts for the prior year were reclassified to confirm to current year presentation, however, such reclassification does not have an impact on the previously reported profit or equity.

HORWATH MAK ★ Identification Mark ★