



FCL Marine Agencies B.V.

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FCL Marine Agencies B.V.
Rotterdam

Annual Report

For the year ending on March 31, 2018

Report on the annual accounts April 1, 2017 up to March 31, 2018

Company: FCL Marine Agencies B.V.

Place: Rotterdam

Date: June 13, 2018

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To: FCL Marine Agencies B.V.
Kralingseweg 213-217
3062CE Rotterdam

Compilation report

Introduction

In accordance with the instructions of the directors of the company, we have compiled the financial statements of FCL Marine Agencies B.V., Rotterdam for the year April 1, 2017 up to March 31, 2018. The accuracy and completeness of the information, and the financial statements based thereon, are the responsibility of the directors of the company.

Responsibility of the management

In the execution of our work we have based ourselves on the information provided by the management of the company. The responsibility for the correctness and completeness of that data and for the annual accounts based thereon lies with the management of the company.

Scope

We have compiled the financial statements in accordance with generally accepted standards for compilation engagements in the Netherlands. Our procedures were limited primarily to gathering, processing, classifying and summarizing financial information. These procedures do not provide the same level of assurance as to whether the financial statements are free of material misstatement as that provided by an audit or a review by an Accountant. The financial statement has been audited for group purposes by Ernst & Young Accountants LLP, with a materiality of EUR 75.000,-.

Confirmation

We have compiled the financial statements in accordance with accounting principles generally accepted in the Netherlands and with the financial reporting requirements as included in Part 9, Book 2 of the Netherlands Civil Code.

Rotterdam, June 13, 2018

Tjeerd Administratie en Belastingadvies B.V.



G.T. Sterkenburg

Annual Report March 31, 2018 - Financial position

Below we provide an analysis of your company's financial position. Note that balance sheet items can fluctuate during the year and the value as of the balance sheet date could deviate considerably from any randomly chosen date in the financial year. (This might have influenced the impact on ratios, had another date been selected).

The company had in 2016 a long bookyear of 15 months starting January 1, 2016 up to March 31, 2017.

A summary of the balance sheet as of March 31, 2018 with comparative figures for March 31, 2017

	March 31, 2018		March 31, 2017	
	EUR	%	EUR	%
Assets				
Fixed assets	221.065	4,8%	261.760	5,7%
Short term loans	1.060.938	23,1%	1.521.806	33,3%
Receivables, prepayments and accrued income	3.260.883	71,1%	2.752.440	60,2%
Cash at bank and in hand	44.062	1,0%	32.747	0,7%
	<u>4.586.948</u>	<u>100%</u>	<u>4.568.753</u>	<u>100,0%</u>
Equity and liabilities				
Shareholders' equity	1.044.210	23%	1.156.630	25%
Long-term liabilities	<u>0</u>	<u>0%</u>	<u>0</u>	<u>0%</u>
Total of long-term liabilities and equity	1.044.210	23%	1.156.630	25%
Current liabilities, accruals and deferred income	3.542.738	77%	3.412.123	75%
	<u>4.586.948</u>	<u>100%</u>	<u>4.568.753</u>	<u>100,0%</u>

Annual Report - Working capital

On the basis of this summary, a statement of the working capital has been provided. Working capital is defined as all current assets less current liabilities.

	March 31, 2018	March 31, 2017	Movement
Short term loans	1.060.938	1.521.806	-460.868
Receivables, prepayments and accrued income	3.260.883	2.752.440	508.443
Cash at bank and in hand	44.062	32.747	11.315
Total current assets	4.365.883	4.306.993	519.758
Less: Current liabilities, accruals and deferred income	<u>3.542.738</u>	<u>3.412.123</u>	<u>130.615</u>
Working capital	<u>823.145</u>	<u>894.870</u>	<u>-71.725</u>

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 (Financial position)

Annual Report - Solvency

From the solvency – defined as the ratio of the equity divided by the liabilities (and also defined as the ratio of equity divided by the sum of equity and liabilities) – the resilience of the company may be deduced.

The level of solvency depends on the nature of the company. No general principles can be given for this. By means of the ratios presented below insight can be gained into the solvency of the company.

	<u>March 31, 2018</u>	<u>March 31, 2017</u>
Ratio equity / sum of equity and liabilities	22,76%	25,32%
Ratio equity / liabilities	29,47%	33,90%

Annual Report - Liquidity

From the liquidity – defined as the ratio of current assets divided by current liabilities – it may be deduced to what extent the company can settle its financial liabilities in the short-term.

By means of the ratios presented below, insight can be gained into the liquidity of the company.

	<u>March 31, 2018</u>	<u>March 31, 2017</u>
Annual Report - Quick ratio:		
Ratio receivables, securities and cash / current liabilities	1,23	1,26
Annual Report - Current ratio:		
Ratio current assets / current liabilities	1,23	1,26

Annual Report - Earning capacity

The earning capacity of the liabilities indicates the rate of expenses compared to liabilities operative in the company. By means of the ratios presented below insight can be gained into the earning capacity of the company.

	<u>March 31, 2018</u>	<u>March 31, 2017</u>
Interest expenses / average liabilities	0,00%	0,01%

Employees

On March 31, 2018 the Company employs/contracted 30 staff (2016/2017: 28). The average count of employees/contractors in 2017/2018 is 29 (2016/2017: 28).

The calculation of below KPI's have been adjusted considering 12 months average due to the long bookyear 2016.

	<u>March 31, 2018</u>	<u>March 31, 2017</u>
Average turnover per employee (turnover / average number of employees)	1.020.490	968.164
Average personnel expenses per employee (personnel expenses / average number of employees)	58.472	57.099
Personnel expenses per EUR 100 turnover (personnel expenses / turnover x EUR 100)	5,73%	5,90%

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Fiscal position

Taxable amount and tax for the financial year

The taxation according to the profit and loss account can be calculated as follows.

	March 31, 2018	March 31, 2017
Result before taxation	902.457	1.118.757
Fiscal non-deductible expenses	4.500	4.500
	<u>906.957</u>	<u>1.123.257</u>
Investment allowance	-7.450	-4.835
Taxable amount	<u>899.507</u>	<u>1.118.422</u>

Calculation expected tax bill

	Base amount		
Result against 20%, maximum	200.000	40.000	40.000
Result against 25%, on the excess		174.877	229.605
Total corporate taxes		214.877	269.605

Tax losses available for set-off

There are no tax losses available for set-off

Balance sheet as of March 31, 2018, with comparative figures for March 31, 2017

	Note	March 31, 2018 EUR	March 31, 2017 EUR
Assets			
Fixed assets			
Intangible fixed assets	1	4.500	11.200
Tangible fixed assets	2	216.565	250.560
Total fixed assets		221.065	261.760
Current assets			
Short term loans	3	1.060.938	1.521.806
Receivables, prepayments and accrued income	4	3.260.883	2.752.440
Cash at bank and in hand	5	44.062	32.747
Total current assets		4.365.883	4.306.993
Total		4.586.948	4.568.753
Equity and liabilities			
Shareholders' equity			
Registered capital	6	18.160	18.160
Capital reserves		0	0
Revenues reserves and result previous years		338.470	288.520
Net profit/loss for the year		687.580	849.950
Total equity		1.044.210	1.156.630
Long-term liabilities	7	0	0
Short term liabilities			
Liabilities credit institutions short term	8	0	0
Accounts payable for deliveries and services	9	2.253.428	2.460.653
Other accounts payable	10	1.289.310	951.470
Total short term liabilities		3.542.738	3.412.123
Total		4.586.948	4.568.753

Profit and loss account 2017/2018, with comparative figures for 2016/2017

(note: P&L March31, 2017 is a 15 months period)

		March 31, 2018	March 31, 2017
		EUR	EUR
Net-turnover		29.594.209	33.885.741
Cost of sales		-25.901.004	-29.150.892
Gross margin	14	3.693.205	4.734.849
Wages, salaries and social security	15	1.695.701	1.998.468
Amortisation/depreciation of intangible/tangible fixed assets	16	65.816	82.155
Impairment in value of current assets	17	-26.519	-28.842
Other operating expenses	18	1.195.987	1.569.144
Total expenses		2.930.985	3.620.925
Operating result		762.220	1.113.924
Financial income and expense	19	-141.496	-4.832
Extraordinary result	20	1.259	0
Result on ordinary activities before taxation		902.457	1.118.757
Taxation on result of ordinary activities	21	214.877	268.807
Result on ordinary activities after taxation		687.580	849.950
Extraordinary result after taxation		0	0
Result after taxation		687.580	849.950

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General notes and principles

Activities

The activities of FCL Marine Agencies B.V., having its legal seat at Rhoon, primarily consist of: National and International forwarding including sea-, air- and trucktransport, storage of cargoes, courier services, custom clearance and all other logistical services and consultancy.

Group structure

The company is part of a group, the mother company of FCL Marine Agencies B.V. is Ecuhold N.V. at Antwerpen, Belgium which is for 100% shareholder.

Long bookyear 2016

The company had in 2016 a long bookyear of 15 months. Starting January 1, 2016 up to March 31, 2017. Bookyear 2017/2018 is from April 1 up to March 31.

General accounting principles for the preparation of the financial statements

The financial statements have been prepared in accordance with generally accepted accounting standards in the Netherlands

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise, the relevant principle for the specific balance sheet item, assets and liabilities are presented at face value.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Conversion of foreign currency

Receivables, liabilities and obligations denominated in foreign currency are converted at the exchange rates prevailing at balance sheet date.

Transactions in foreign currency during the financial year are recognised in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the conversion as of balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

Principles of valuation of assets and liabilities

Intangible fixed assets

Intangible fixed assets are presented at cost less accumulated depreciation. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an intangible asset comes into use.

Tangible fixed assets

Tangible fixed assets are presented at cost less accumulated depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use. Land is not depreciated.

Receivables

Receivables are included at face value, less any provision for doubtful accounts. These provisions are determined by individual assessment of the receivables.

Liabilities

These are recorded at face value.

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Principles for the determination of the result

Revenues from services are recognised in proportion to the services rendered. The cost price of these services is allocated to the same period.

Net turnover

The gross operating result consists of the net turnover, other operating income and consumables and the cost of subcontracted work and other external charges. Net turnover represents amounts invoiced for goods and services supplied during the financial year under report, net of discounts and value added taxes.

Cost of sale

The cost of sale contains all direct cost of the net turnover.

Taxation

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes.

Notes to the balance sheet of March 31, 2018, with comparative figures for March 31, 2017

1) Intangible fixed assets

The movement in intangible fixed assets is as follows:

	March 31, 2018	March 31, 2017
At cost opening balance	38.000	38.000
Investments	0	0
Desinvestment	0	0
At cost on balance date	38.000	38.000
Depreciation till previous periods	-26.800	-17.300
Depreciation for this year	-6.700	-9.500
Depreciation desinvestment	0	0
Bookvalue at balance date	4.500	11.200

2) Tangible fixed assets

The movement in tangible fixed assets is as follows:

	March 31, 2018	March 31, 2017
At cost opening balance	376.648	346.457
Investments	28.641	31.545
Desinvestment	-14.603	-1.354
At cost on balance date	390.686	376.648
Depreciation till previous periods	-126.163	-53.508
Depreciation for this year	-59.116	-72.655
Depreciation desinvestment	11.158	75
Bookvalue at balance date	216.565	250.560

3) Short term loans

The movement in short term loans is as follows:

	March 31, 2018	March 31, 2017
ECU International N.V. (Belgium)		
Bookvalue previous periods	647.902	1.857.225
Provided and redemption	-647.902	-1.209.323
Bookvalue at balance date	0	647.902
ECU Hold N.V. (Belgium)		
Bookvalue previous periods	873.904	0
Provided and redemption	-152.098	873.904
Bookvalue at balance date	721.806	873.904
ECU Hold N.V. (Belgium) Cash pool		
Bookvalue previous periods	0	0
Provided and redemption	339.132	0
Bookvalue at balance date	339.132	0

The loans have been given to affiliated companies from the group. For both short term loans the annual interest rate has been set on 2% since 1th of November 2015. There is no security for repayment given. Redemption or extra providing can be done at any moment.

For the cash pool currently no interest is charged and no security for repayment is given. Redemption or extra providing is done daily with the KBC bank mutations of the cash pool.

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(Notes to the balance sheet of March 31, 2018, with comparative figures for March 31, 2017)

4) Receivables, prepayments and accrued income

Of the total amount of receivables an amount of EUR 0,00 has a remaining term over 1 year. The specification is as follows:

	March 31, 2018	March 31, 2017
Accounts receivable for deliveries and services third	2.719.870	2.305.021
Allowance for doubtful accounts third	-19.155	-45.674
	<u>2.700.715</u>	<u>2.259.348</u>
Receivable from affiliated companies	88.152	92.925
Receivable VAT	53.903	41.500
Prepayments and Accrued Income	251.467	200.422
Prepayment pensionfund	100.938	96.852
Other receivables	65.708	61.393
Total	3.260.883	2.752.440

5) Cash at bank and in hand

The cash at bank and in hand are freely disposable by the company on March 31, 2018.

	March 31, 2018	March 31, 2017
ABN-Amro EUR account	41.752	16.986
ABN-Amro USD account	1.226	15.290
Petty cash	1.084	471
	<u>44.062</u>	<u>32.747</u>

6) Shareholders equity

Registered capital

The registered share capital of the company is EUR 18.160,- of which EUR 18.160,- have been issued and paid up. The paid up share capital has been increased due to rounding on December 1, 2016 by EUR 9,-. There are no preferred or priority shares.

Capital reserves

No payments were made by the shareholders to raise the capital reserves.

Revenues reserves and result previous years

This is the accumulated loss and/or profit of the company of previous years.

	March 31, 2018	March 31, 2017
Opening balance	288.520	445.728
Movements profit and/of loss previous year	849.950	842.801
Rounding share holders capital notary update	0	-9
Dividend payments to shareholders	-800.000	-1.000.000
Bookvalue at balance date	338.470	288.520

Net profit/loss for the year

This is the net profit or loss of the company for the year 2017/2018 with comparative numbers for 2016/2017.

7) Long-term liabilities

There are no long-term liabilities.

8) Liabilities credit institutions short term

There are no short term liabilities to credit institutions

9) Accounts payable for deliveries and services	March 31, 2018	March 31, 2017
Accounts payable for deliveries and services Third	1.968.530	2.100.023
Accounts payable for deliveries and services Affiliated	284.898	360.630
Total	2.253.428	2.460.653

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(Notes to the balance sheet of March 31, 2018, with comparative figures for March 31, 2017)

10) Other accounts payable	March 31, 2018	March 31, 2017
Accrued expenses	1.035.899	695.219
Provision holiday allowance	63.640	57.231
Other staff provisions	73.079	69.194
Payable income taxes and social charges	38.146	32.114
Payable pension contribution	0	0
Payable corporate taxes	13.705	96.307
Other payable	64.841	1.405
Total	1.289.310	951.470

Contingent assets and liabilities

11) Income tax

As at balance sheet date of March 31, 2018 the Company has no losses which can be compensated with future profits (2016: EUR 0,-). No deferred tax asset is recorded.

12) Other obligations

The amounts due in respect of non-cancellable operating leases are payable as follows:

Rental	March 31, 2018	March 31, 2017
Less than one year	106.245	106.245
Between one and five years	235.929	342.174
Longer than five years	0	0
Total	342.174	448.419
 Operating lease cars		
Less than one year	127.722	125.771
Between one and five years	94.728	219.080
Total	222.450	344.851
 Total (rental and lease cars)		
Less than one year	233.967	232.016
Between one and five years	330.657	561.254
Longer than five years	0	0
Total other obligations	564.624	793.270

13) Guarantees and pledge of company shares

KBC Bank N.V. has provided a bank guarantee for total amount of EUR 100.000,- for customs duties.

All shares of the company have been pledge, by the mother company, in favour of BNP Paribas Fortis SA/NV as per November 4, 2015.

Notes to the profit & loss account 2017/2018 with comparative figures for 2016/2017

The year 2016/2017 was a long bookyear of 15 months from January 1, 2016 up to March 31, 2017. Year 2017/2018 is a new regular bookyear of 12 months from April 1, 2017 up to March 31, 2018.

	March 31, 2018 (12 months)		March 31, 2017 (15 months)	
	EUR	EUR	EUR	EUR
14) Gross margin				
Net turnover operational	-29.584.924		-33.865.203	
Other revenues	-9.285		-20.538	
Cost of sales	<u>25.901.004</u>		<u>29.150.892</u>	
Total		-3.693.205		-4.734.849
Margin in percentage		12,5%		14,0%
Operational margin (excl. other revenues)		12,5%		13,9%
15) Wages, salaries and social security				
Wages	922.021		1.206.445	
Holiday/vacation provision mutation	10.295		28.002	
Social security charges	220.748		246.933	
Contribution towards pension	91.570		117.848	
Outsourcing fees	2.002		0	
Travelling expenses employees	3.998		4.610	
Severance pay	0		0	
Training and education	5.290		5.937	
Independent contractors	394.650		347.439	
Other staff expenses	<u>45.127</u>		<u>41.255</u>	
Total		1.695.701		1.998.468
Average number of employees/contractors		29		28
16) Amortisation/depreciation				
Intangible fixed assets	6.700		9.500	
Tangible fixed assets	<u>59.116</u>		<u>72.655</u>	
Total		65.816		82.155
17) Impairment in value of current assets				
Bad debts	<u>-26.519</u>		<u>-28.842</u>	
Total		-26.519		-28.842
18) Other operating expenses				
Housing expenses	165.481		178.319	
Car expenses	202.897		243.582	
Selling expenses	136.991		162.615	
Office expenses	<u>690.619</u>		<u>984.628</u>	
Total		1.195.987		1.569.144
Housing expenses				
Office rent	106.730		132.831	
Services cost and maintenance	46.501		31.469	
Cleaning	12.133		13.692	
Other housing expenses	<u>117</u>		<u>328</u>	
Total		165.481		178.319

18) Other operating expenses (contd.)	March 31, 2018 (12 months)		March 31, 2017 (15 months)	
	EUR	EUR	EUR	EUR
Car expenses				
Lease staff cars	157.578		180.996	
Fuel	29.832		40.586	
VAT privat use cars	14.851		20.157	
Other car expenses	636		1.844	
Total		202.897		243.582
Selling expenses				
Advertising and promotion	15.141		16.908	
Marketing and relation gifts	29.323		36.196	
Representation expenses	29.454		29.053	
Travel and hotel expenses	43.564		56.516	
Trade intelligence	3.172		3.917	
Sponsorship and donations	15.916		18.904	
Other selling expenses	420		1.120	
		136.991		162.615
Office expenses				
Telephone and data lines	22.623		33.359	
Postage expenses	2.187		3.294	
Office supplies	5.798		10.097	
Legal/notary charges	5.465		15.307	
Consultancy charges	6.058		3.280	
Auditor charges	14.101		13.250	
Software consultancy	19.247		46.542	
Website	1.654		2.190	
Other IT charges	2.970		5.052	
Contribution and subscription	4.236		6.472	
Insurance	1.415		7.169	
Management fee HQ	600.000		834.233	
Archive rent	4.340		0	
Other office expenses	525		4.383	
Total		690.619		984.628
19) Financial income and expense				
Interest revenues	-21.455		-33.208	
Interest cost	0		426	
Exchange differences	-131.799		12.000	
Financial expenses bank	11.758		15.950	
Total		-141.496		-4.832
20) Extraordinary result				
Loss on disposal/sale fixed assets	1.259		0	
Other extraordinary income/expenses	0		0	
		1.259		0
21) Taxation				
Corporate taxes	214.877		268.807	
		214.877		268.807

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Other information

Audit

The company has utilized the exemption from an audit by virtue of article 2:396, paragraph 6 of the Netherlands Civil Code.

Statutory rules concerning appropriation of result

Article 24 of the company statutory regulations state the following: Distributions may be made only if the equity is more than the paid-up and redeemed part of the issued capital and reserves, increased with legal reserves.

Proposed appropriation of result for the financial year 2017/2018

The board of directors proposes that the profit for the financial year 2017/2018 amounting to EUR 687.580,- (2016/2017: EUR 849.950,-) should be added to the reserve.
The financial statements do not reflect this proposal.

Signing of the financial statements

Rotterdam, June 13, 2018

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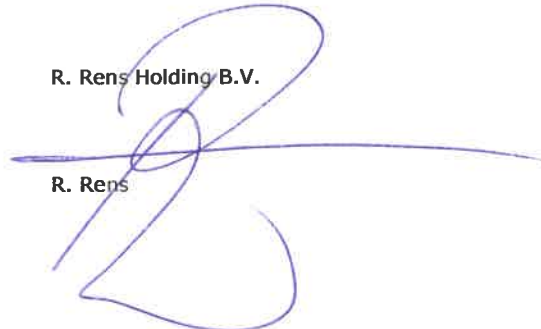


M. Stoffelen



Mohamedhusein, Saleem Mohamed Nazir

R. Rens Holding B.V.



R. Rens