

ECU WORLDWIDE (MAURITIUS) LTD

Financial statements

31 December 2020

ECU WORLDWIDE (MAURITIUS) LTD

Financial statements

For the year ended 31 December 2020

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ECU WORLDWIDE (MAURITIUS) LTD

Secretary's Certificate

for the year ended 31 December 2020

To the Members of ECU WORLDWIDE (MAURITIUS) LTD

In accordance with section 166 (d) of the Companies Act 2001, we certify that to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, all such returns as are required of the Company under the Companies Act 2001.

Appavoo Corporate Services Ltd
Company Secretary

Date:.....

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ECU WORLDWIDE (MAURITIUS) LTD

Directors' report

The directors are pleased to present the audited financial statements of ECU WORLDWIDE (MAURITIUS) LTD (the "Company") for the year ended 31 December 2020.

Principal activity

The principal activity of the Company is to move cargo through sea freight, air freight and local transport.

Results and dividend

The results for the year are shown on page 6.

No dividend has been declared and paid for the financial year ended 31 December 2020 (2019: Nil).

Directors

The following officers held office as directors of the Company as at 31 December 2020:

- Mr. Saleem Mohamed Nazir Mohamedhusein
- Mrs. Hawanty Teeluck
- Mr Rene Marcel Wernli

Statement of Directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company and the Company.

The directors are responsible for the preparation of financial statements which comply with the Mauritius Companies Act 2001. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue to operate.

The directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

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ECU WORLDWIDE (MAURITIUS) LTD

Directors' report (continued)

As at 31 December 2019, a limited number of cases of an unknown virus had been reported to the World Health Organization ("WHO"). Following the subsequent spread of the virus, the WHO declared the COVID-19 outbreak to be a pandemic on 11 March 2020. The identification of the virus post 31 December 2019 as a new coronavirus and its subsequent spread are considered as non-adjusting events after the reporting period.

Management has not been aware of any cases of COVID-19 infection among its people and the outbreak has not had a significant impact to the Company's operations to date. Management currently has an appropriate response plan in place. Management will continue to monitor and assess the ongoing development and respond accordingly.

The Board of Directors is also closely monitoring the evolution of this pandemic, including how it may affect the Company, the economy and the general population. Management has not yet determined the financial impact of these events.

As the situation is fluid and rapidly evolving, a definitive assessment on the extent of the impact on the Company's financial performance and liquidity in 2020 is not possible at current point of time. The directors will continue to closely monitor the situation and implement appropriate actions deemed necessary to maximize liquidity and ensure sustainability of the Company.

The Company has a strong financial health which is evidenced by high amount of cash held at 31 December 2020 amounting to Rs 3,166,714; realizable assets amounting to Rs 799,661 and receivables of Rs 1,717,499, while liabilities stood at Rs 2,518,901. Recurring annual expenses is around Rs 5 million and therefore the Company has sufficient cash and other assets to sustain it for the next 12 months comfortably. In addition, it is part of a group which could assist should there be an event/circumstance or uncertainty which could arise due to the pandemic. Management will also review and revise budgets and cash flow on a continual basis depending on the evolution of the pandemic and its adverse impacts on the business activities of the Company.

The Board of Directors is of the view that the significant doubt associated with the current uncertainties related to the COVID-19 virus currently does not result in a material uncertainty related to such events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

Auditors

The auditors, NJC ASSOCIATES, have indicated their willingness to continue in office and have already been re-appointed at the annual meeting.

By order of the Board

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Director

Date:

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF ECU WORLDWIDE (MAURITIUS) LTD

Report on the Audit of the Financial Statements

We have audited the financial statements of **ECU WORLDWIDE (MAURITIUS) LTD** (the "Company") on pages 7 to 47 which comprise the statement of financial position as at 31 December 2020 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2020 and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements on pages 7 to 47 give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of its operations and cash flows for the year ended 31 December 2020 in accordance with International Financial Reporting Standards and in compliance with the Mauritius Companies Act 2001.

Emphasis of matter

- *Material Uncertainty due to Outbreak of Coronavirus (COVID-19)*

Without qualifying our opinion, we draw attention to Note 21 to the financial statements which describes the material uncertainty related to the current outbreak of Coronavirus (COVID-19) and its potential adverse economic impact on the countries, industries and markets in which the Company operates. We consider that appropriate disclosures have been made in this respect.

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants (IESBA Code) *Code of Ethics for Professional Accountants*, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the directors' report and certificate from the secretary. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF ECU WORLDWIDE (MAURITIUS) LTD (CONTINUED)

Report on the Audit of the Financial Statements (continued)

Directors Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as the owners determine 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 directors are 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 judgement 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.
- 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 directors.
- Conclude on the appropriateness of the 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF ECU WORLDWIDE
(MAURITIUS) LTD (CONTINUED)**

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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

We communicate with the 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 is made solely to the Company's member in accordance with Section 205 of the Mauritius Companies Act. Our audit work has been undertaken so that we might state to the Company's member those matters that we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditors and tax advisors.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

NJC ASSOCIATES
Chartered Accountants
Quatre Bornes
Mauritius

Neeshal Jingree FCCA ACA
Licensed by FRC

Date:

ECU WORLDWIDE (MAURITIUS) LTD

Statement of profit or loss and other comprehensive income for the year ended 31 December 2020

	Note	2020 Rs	2019 Rs
Revenue	6	24,576,390	19,426,156
Cost of sales		(18,978,359)	(14,190,762)
Gross profit		5,598,031	5,235,394
Other income		177,526	480,794
Administrative expenses		(5,261,304)	(5,398,464)
Profit from operations		514,253	317,724
Net finance costs	8	22,844	(119,300)
Profit before taxation		537,097	198,424
Taxation	9	(222,026)	(83,554)
Profit for the year		315,071	114,870
Other comprehensive income		-	-
Total comprehensive income for the year		315,071	114,870

The notes on pages 11 to 47 form part of these financial statements.

ECU WORLDWIDE (MAURITIUS) LTD

Statement of financial position

As at 31 December 2020

	Note	2020 Rs	2019 Rs
ASSETS			
Non-current assets			
Plant and equipment	10	799,661	984,109
Net deferred tax assets	11	7,712	-
Total non-current assets		807,373	984,109
Current assets			
Trade and other receivables	12	1,717,499	3,508,133
Cash and cash equivalents	13	3,166,714	1,542,824
Total current assets		4,884,213	5,050,957
Total assets		5,691,586	6,035,066
EQUITY AND LIABILITIES			
Equity			
Share capital	14	675,000	675,000
Retained earnings		2,433,301	2,118,230
Total equity		3,108,301	2,793,230
Non-current liabilities			
Retirement benefit obligations	15	185,665	138,380
Net deferred tax liability	11	-	3,867
		185,665	142,247
Current liabilities			
Trade and other payables	16	2,164,015	3,019,553
Income tax payable	9	233,605	80,036
Total current liabilities		2,397,620	3,099,589
Total liabilities		2,583,285	3,241,836
Total equity and liabilities		5,691,586	6,035,066

Approved by the Board on

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Mrs. Hawanty TEELUCK
Director

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Mr. Saleem Mohamed Nazir MOHAMEDHUSEIN
Director

The notes on pages 11 to 47 form part of these financial statements.

ECU WORLDWIDE (MAURITIUS) LTD

Statement of changes in equity for the year ended 31 December 2020

	Share capital	Retained earnings	Total
	Rs	Rs	Rs
At 01 January 2019	675,000	2,003,360	2,678,360
Total comprehensive income for the year			
Profit for the year	-	114,870	114,870
Other comprehensive income	-	-	-
Total comprehensive income for the year		114,870	114,870
Balance at 31 December 2019	675,000	2,118,230	2,793,230
Total comprehensive income for the year			
Profit for the year	-	315,071	315,071
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	315,071	315,071
Balance at 31 December 2020	675,000	2,433,301	3,108,301

The notes on pages 11 to 47 form part of these financial statements.

ECU WORLDWIDE (MAURITIUS) LTD

Statement of cash flows

for the year ended 31 December 2020

	2020 Rs	2019 Rs
Cash flows from operating activities		
Profit before taxation	537,097	198,424
<i>Adjustments for:</i>		
Depreciation	260,973	169,868
Other receivables write off	-	368,374
Payables write back	(17,688)	-
Bad debts recovered	(154,481)	(364,148)
Gain on disposal of plant and equipment	(5,357)	(105,392)
Movement in retirement benefit obligations	47,285	39,686
	667,829	306,812
Change in trade and other receivables	1,945,115	(2,084,330)
Change in trade and other payables	(837,850)	1,089,033
	1,775,094	(688,485)
Cash used from operations	(80,036)	(347,814)
Income tax paid		
Net cash from/(used in) operating activities	1,695,058	(1,036,299)
Cash flows from investing activities		
Proceeds from disposal of plant and equipment	41,351	885,500
Acquisition of plant and equipment	(112,519)	(1,064,400)
Net cash used in investing activities	(71,168)	(178,900)
Net change in cash and cash equivalents	1,623,890	(1,215,199)
Cash and cash equivalents at 1 January	1,542,824	2,758,023
Cash and cash equivalents at 31 December (note 13)	3,166,714	1,542,824

The notes on pages 11 to 47 form part of these financial statements.

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements *for the year ended 31 December 2020*

1. General information

The Company is a private limited company, incorporated and domiciled in Mauritius. The address of the registered office is MFD Business Centre, Freeport Zone 7, Mer Rouge, Port Louis. The main activity of the Company is to move cargo through sea freight, air freight and local transport.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis except that financial assets and financial liabilities are fair valued.

(c) Functional and presentation currency

The financial statements are presented in Mauritian Rupees (Rs) which is the Company's functional and presentation currency.

(d) Use of estimates and judgement

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 9 – Income tax expense
- Note 10 – Plant and equipment
- Note 15 – Retirement benefit obligations

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising there on are dependent on the functional currency selected. As described in 2(c), the directors have considered those factors therein and have determined that the functional currency of the company is Mauritian Rupees (Rs).

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements for the year ended 31 December 2020

2. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting year during which the change has occurred.

Calculation of loss allowance

When measuring expected credit losses, the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Useful lives and residual values of property, plant and equipment

The useful lives and residual values of property, plant and equipment are based on management's judgment of the historical pattern of useful lives and the general standards in the industry. As described in Note 3, the useful lives and residual values are reviewed for reasonableness by management on an annual basis.

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements *for the year ended 31 December 2020*

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

(a) Revenue

Revenue from the sale of services in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, value-added tax, trade discounts and volume rebates.

The Company recognizes revenue when the amount of revenue can be reliably measured and it is probable that future economic benefit will flow to the entity and specific criteria have been met for each of the entity's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to a customer and the consideration agreed is expected to be received. Control is generally deemed to be transferred upon delivery of the components in accordance with the agreed delivery plan.

- *Container Shipping*

Freight revenues and costs directly attributable to the transport of containers are recognized as of the ETA/ETD (Expected Time of Arrival/Expected Time of Departure) of the vessel.

- *Other activities*

For other activities, revenue is recognized when the services have been rendered or when the goods have been delivered.

(b) Finance income and finance expense

Finance income comprises gains on foreign exchange. Interest income is recognised as it accrues in the statement of comprehensive income, using the effective interest method.

Finance costs comprise interest expense and losses on foreign exchange and are recognised in the statement of comprehensive income.

Foreign currency gains and losses are reported on a net basis.

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements *for the year ended 31 December 2020*

3. Significant accounting policies

(c) Income tax expense

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(d) Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in statement of profit or loss.

(e) Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements for the year ended 31 December 2020

3. Significant accounting policies (Continued)

(e) Financial instruments (continued)

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through OCI, or fair value through profit or loss.

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient for contracts that have a maturity of one year or less, are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements for the year ended 31 December 2020

3. Significant accounting policies (Continued)

(e) Financial instruments (continued)

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Interest received is recognised as part of finance income in the statement of profit or loss and other comprehensive income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include trade receivables (not subject to provisional pricing), other receivables and receivables from joint arrangements. Refer below to 'Financial assets at fair value through profit or loss' for a discussion of trade receivables (subject to provisional pricing).

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, e.g., derivative instruments, financial assets designated upon initial recognition at fair value through profit or loss, e.g., debt or equity instruments, or financial assets mandatorily required to be measured at fair value, i.e., where they fail the SPPI test. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that do not pass the SPPI test are required to be classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

A derivative embedded in a hybrid contract with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements for the year ended 31 December 2020

3. Significant accounting policies (continued)

(e) Financial instruments (continued)

Financial assets at fair value through profit or loss (continued)

As IFRS 9 now has the SPPI test for financial assets, the requirements relating to the separation of embedded derivatives is no longer needed for financial assets. An embedded derivative will often make a financial asset fail the SPPI test thereby requiring the instrument to be measured at fair value through profit or loss in its entirety. This is applicable to the Company's trade receivables (subject to provisional pricing). These receivables relate to sales contracts where the selling price is determined after delivery to the customer, based on the market price at the relevant QP stipulated in the contract. This exposure to the commodity price causes such trade receivables to fail the SPPI test. As a result, these receivables are measured at fair value through profit or loss from the date of recognition of the corresponding sale, with subsequent movements being recognised in 'fair value gains/losses on provisionally priced trade receivables' in the statement of profit or loss and other comprehensive income.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired Or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate (EIR). The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements for the year ended 31 December 2020

3. Significant accounting policies (continued)

(e) Financial instruments (continued)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Company applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For any other financial assets carried at amortised cost (which are due in more than 12 months), the ECL is based on the 12-month ECL. The 12-month ECL is the proportion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements for the year ended 31 December 2020

3. Significant accounting policies (continued)

(e) Financial instruments (continued)

The Company's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss and other comprehensive income.

Loans and borrowings and trade and other payables

After initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

This category generally applies to interest-bearing loans and borrowings and trade and other payables.

Derecognition

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires. 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 profit or loss and other comprehensive income.

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements for the year ended 31 December 2020

3. Significant accounting policies (Continued)

(f) Plant and equipment (continued)

(i) Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Any gain or loss on disposal of an item of plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in statement of profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in statement of profit or loss as incurred.

Gains and losses on disposal of plant and equipment are determined by reference to their written down value and are included in determining operating profit.

(iii) Depreciation

Depreciation is recognized in the statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Furniture and fittings	-	10 years
Motor vehicles	-	5 years
Office equipment	-	4 -5 years
Computer and electronic equipment	-	3 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements for the year ended 31 December 2020

3. Significant accounting policies (Continued)

(g) Retirement benefits obligation

Severance allowance on retirement

The net present value of severance allowances payable under the Labour Act is computed and provided for. The obligations arising under this item are not funded.

State plan

Contributions to the National Pension Scheme are expensed to the statement of comprehensive income in the period in which they fall due.

(h) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments. Cash and cash equivalents also include bank overdrafts which are shown in current liabilities on the statement of financial position.

(j) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(k) Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if they have the ability, directly or indirectly to control the company or exercise significant influence over the Company in governing the financial and operating policies, or vice versa, or where the Company are subject to common control or common significant influence. Related parties may be individuals or other entities.

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements for the year ended 31 December 2020

3. Significant accounting policies (Continued)

(l) Leases

Operating leases

Leases in which a significant portion of the risks and the rewards are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

(m) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash flows from continuing use that are largely dependent of the cash inflows of other assets or group of assets (the "cash generating unit"). The goodwill acquired in a business combination, for purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the profit or loss. Impairment recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

(n) Dividend distributions

Dividend distributions to the Company's shareholders are recognized in the Company's financial statements in the year in which the dividends are declared.

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements for the year ended 31 December 2020

3. Significant accounting policies (Continued)

(o) New standards and amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Company has adopted all of the new and revised International Financial Reporting Standards ("IFRS") and interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 January 2019. The adoption of these new and revised Standards and Interpretations has not had any significant impact on the amounts reported in these financial statements but may impact the accounting for future transactions or arrangements.

The nature and effect of the new standards, interpretations and each amendment adopted by the Company is detailed below. Neither the interpretation nor certain of the amendments affect the Company's financial statements.

IFRS 16 Leases

IFRS 16 affects primarily the accounting by lessees and results in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

The income statement is also affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense is replaced with interest and depreciation, so key metrics like EBITDA has also changed.

Operating cash flows will be higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest can continue to be presented as operating cash flows.

The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

IFRS 16 is not relevant to the Company and as such it has no impact in the financial statements.

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements

for the year ended 31 December 2020

3. Significant accounting policies (continued)

(o) *Amendments to IFRSs that are mandatorily effective for the current year (continued)*

IFRIC 23 Uncertainty over Income Tax Treatments issued

IFRIC 23 clarifies the accounting for uncertainties in income taxes. The interpretation is applied in the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12.

It requires the Company to use judgement to determine whether each tax treatment should be considered independently or whether some tax treatments should be considered together. The decision should be based on which approach provides better predictions of the resolution of the uncertainty.

The Company is to assume that a taxation authority with the right to examine any amounts reported to it will examine those amounts and will have full knowledge of all relevant information when doing so. The Company has to consider whether it is probable that the relevant authority will accept each tax treatment, or Company of tax treatments, that it used or plans to use in its income tax filing.

- If the Company concludes that it is probable that a particular tax treatment is accepted, the entity has to determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax filings.
- If the Company concludes that it is not probable that a particular tax treatment is accepted, the entity has to use the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The decision should be based on which method provides better predictions of the resolution of the uncertainty.

The Company has to reassess its judgements and estimates if facts and circumstances change.

The Company has adopted IFRIC 23 for the first time in the current year.

Amendments to IFRS 9: Prepayment Features with Negative Compensation

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

These amendments have no impact on the financial statements of the Company.

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements

for the year ended 31 December 2020

3. Significant accounting policies (continued)

(o) *Amendments to IFRSs that are mandatorily effective for the current year (continued)*

Amendments to IAS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

These amendments are not relevant to the Company and had no impact on the financial statements of the Company.

Amendments to IAS 19: Plan Amendment, Curtailment or Settlement

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

These amendments are not applicable to the Company

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements for the year ended 31 December 2020

3. Significant accounting policies (continued)

(o) Amendments to IFRSs that are mandatorily effective for the current year (continued)

Annual Improvements 2015-2017 Cycle (issued in December 2017)

- *IFRS 3 Business Combinations*

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

These amendments are not applicable to the Company.

- *IFRS 11 Joint Arrangements*

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

These amendments are not applicable to the Company.

- *IAS 12 Income Taxes*

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The Company's current practice is in line with these amendments and as such did not have any effect on its financial statements.

- *IAS 23 Borrowing Costs*

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. The Company's current practice is in line with these amendments and as such did not have any effect on its financial statements.

Amendments to IFRS 3 Definition of a business

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. Additional guidance is provided that helps to determine whether a substantive process has been acquired.

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements for the year ended 31 December 2020

3. Significant accounting policies (continued)

(o) *Amendments to IFRSs that are mandatorily effective for the current year (continued)*

Amendments to IFRS 3 Definition of a business (continued)

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. These amendments are not applicable to the Company.

Amendments to IAS 1 and IAS 8 Definition of material

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of ‘obscuring’ material information with immaterial information has been included as part of the new definition. The threshold materiality influencing users have been changed from ‘could influence’ to ‘could reasonably be expected to influence’.

The definition of materiality in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term ‘material’ to ensure consistency.

These amendments were consistently applied by the Company during the year.

Amendments to References to the Conceptual Framework in IFRS Standards

Together with the revised Conceptual Framework which became effective upon publication on 29 March 2018, the IASB has also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS2, IFRS3, IFRS6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22 and SIC 32.

Not all amendments, however, update those pronouncements with regard to references to and quoted from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASB Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework. These amendments were consistently applied by the Company during the year.

Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

The amendments in Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform. These amendments were consistently applied by the Company during the year.

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements

for the year ended 31 December 2020

3. Significant accounting policies (continued)

(p) *New standards, amendments and interpretations issued but not effective as at 31 December 2020 and not adopted in advance of the effective date*

Standards and Interpretations issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. The Standards and Interpretations will be adopted at their effective date (except for those Standards and Interpretation that are not applicable to the entity).

Standard/Interpretation	Effective for accounting period beginning on or after
IFRS 17 Insurance Contracts	01 January 2023
IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Not yet set but earlier application permissible
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	01 January 2023
Reference to the Conceptual Framework (Amendments to IFRS 3)	01 January 2022
Property, Plant and Equipment — Proceeds before Intended Use (Amendment IAS 16)	01 January 2022
Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)	01 January 2022
Annual Improvements to IFRS Standards 2018–2020	01 January 2022
Covid-19-Related Rent Concessions (Amendment to IFRS 16)	01 June 2020
Amendments to IFRS 17	01 January 2023
Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	01 January 2021
Classification of Liabilities as Current or Non-current — Deferral of Effective I (Amendment to IAS 1)	Not yet set but earlier application permissible
Extension of the Temporary Exemption from Applying IFRS 9 (Amendment IFRS 4)	Not yet set but earlier application permissible

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements for the year ended 31 December 2020

3. Significant accounting policies (continued)

(p) *New standards, amendments and interpretations issued but not effective as at 31 December 2020 and not adopted in advance of the effective date (continued)*

IFRS 17 Insurance Contracts (continued)

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. This standard is not applicable to the Company.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

The amendments are applied prospectively for annual periods beginning on or after 1 January 2023.

Reference to the Conceptual Framework (Amendments to IFRS 3)

The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard

The amendments are effective for annual periods beginning on or after 1 January 2022 with early application permitted if an entity also applied all other updated references (published together with the updated Conceptual Framework) at the same time or earlier

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements

for the year ended 31 December 2020

3. Significant accounting policies (continued)

(p) *New standards, amendments and interpretations issued but not effective as at 31 December 2020 and not adopted in advance of the effective date (continued)*

Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss

The amendments are applied prospectively for annual periods beginning on or after 1 January 2022.

Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract)

The amendments are applied prospectively for annual periods beginning on or after 1 January 2022.

Annual Improvements to IFRS Standards 2018–2020

Makes amendments to the following standards:

- IFRS 1 – The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent’s date of transition to IFRSs.
- IFRS 9 – The amendment clarifies which fees an entity includes when it applies the ‘10 per cent’ test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.
- IFRS 16 – The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

The amendments where they actually are updated are effective for annual periods beginning on or after 01 January 2022 with early application permitted.

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements

for the year ended 31 December 2020

3. Significant accounting policies (continued)

(p) *New standards, amendments and interpretations issued but not effective as at 31 December 2020 and not adopted in advance of the effective date (continued)*

Covid-19-Related Rent Concessions (Amendment to IFRS 16)

The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

The amendments are applied prospectively for annual periods beginning on or after 1 June 2020.

Amendments to IFRS 17

Amends IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 *Insurance Contracts* was published in 2017. The main changes are:

- Deferral of the date of initial application of IFRS 17 by two years to annual periods beginning on or after 1 January 2023.
- Additional scope exclusion for credit card contracts and similar contracts that provide insurance coverage as well as optional scope exclusion for loan contracts that transfer significant insurance risk.
- Recognition of insurance acquisition cash flows relating to expected contract renewals, including transition provisions and guidance for insurance acquisition cash flows recognised in a business acquired in a business combination.
- Clarification of the application of IFRS 17 in interim financial statements allowing an accounting policy choice at a reporting entity level.
- Clarification of the application of contractual service margin (CSM) attributable to investment-return service and investment-related service and changes to the corresponding disclosure requirements.
- Extension of the risk mitigation option to include reinsurance contracts held and non-financial derivatives.
- Amendments to require an entity that at initial recognition recognises losses on onerous insurance contracts issued to also recognise a gain on reinsurance contracts held
- Simplified presentation of insurance contracts in the statement of financial position so that entities would present insurance contract assets and liabilities in the statement of financial position determined using portfolios of insurance contracts rather than groups of insurance contracts
- Additional transition relief for business combinations and additional transition relief for the date of application of the risk mitigation option and the use of the fair value transition approach

The amendments where they actually are updated are effective for annual periods beginning on or after 01 January 2023 with early application permitted.

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements for the year ended 31 December 2020

3. Significant accounting policies (continued)

(p) *New standards, amendments and interpretations issued but not effective as at 31 December 2020 and not adopted in advance of the effective date (continued)*

Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The amendments in *Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)* introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.

The amendments are applied prospectively for annual periods beginning on or after 1 January 2021.

Classification of Liabilities as Current or Non-current — Deferral of Effective Date (Amendment to IAS 1)

The amendment defers the effective date of the January 2020 amendments by one year, so that entities would be required to apply the amendment for annual periods beginning on or after 1 January 2023

Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)

The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 *Insurance Contracts* from applying IFRS 9 *Financial Instruments*, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023

4 Critical accounting judgments and key sources of estimation uncertainty

While applying the accounting policies as stated in Note 3, management of the Company has made certain judgments, estimates and assumptions 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. Revision to accounting estimates are recognised in the period of the revision 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. The significant judgments and estimate made by management are summarised as follows:

Trade and other receivables

Management has estimated the recoverability of trade and other receivables and has considered the allowance required for doubtful receivables (Expected Credit Losses "ECL") on the basis of prior experience and the current economic environment. After consideration on a case by case basis of the facts concerning the recoverability of each contract receivable, management believes that the expected credit losses for trade receivables at 31 December 2020 is MUR Nil (2019: MUR Nil) is sufficient to cover for any possible shortfall as at reporting date.

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements

for the year ended 31 December 2020

4 Critical accounting judgments and key sources of estimation uncertainty (continued)

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Useful lives and residual values of plant and equipment

The useful lives and residual values of the plant and equipment are based on management's judgement of the historical pattern of useful lives and the general standards in the industry. Management has reviewed the residual values and the estimated useful lives of property, plant and equipment in accordance with IAS 16 *Property, Plant and Equipment* and has determined that these expectations do not significantly differ from previous estimates.

Income tax

The company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax audit issues based on the company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements *for the year ended 31 December 2020*

5. Financial risk management

Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and cash and cash equivalents.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk.

Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, when available, and in some cases bank references.

Cash and cash equivalents

The bank balances are held with banks, which are of good repute.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements for the year ended 31 December 2020

5. Financial risk management (continued)

Credit risk (continued)

Exposure to credit risk (continued)

	Carrying Amount 2020 Rs	2019 Rs
Cash and cash equivalents	3,166,714	2,758,023
Trade and other receivables	1,519,193	1,292,892

Expected credit losses

The lifetime expected loss provision for amount owing from trade receivables is as follows:

31 December 2020

	Current Rs	More than 30 days past due Rs	More than 60 days past due Rs	More than 120 days past due Rs	More than 180 days past due Rs	More than 365 days past due Rs	Total Rs
Expected loss rate	0%	0%	10%	10%	50%	100%	
Gross carrying amount	1,286,596	79,616	81,221	14,820	(582)	235,228	1,696,899
Trade receivables not subject to loss provision	-	-	(72,890)	-	-	-	(72,890)
Loss provision	-	-	833	1,482	(291)	235,228	237,252

31 December 2019

	Current Rs	More than 30 days past due Rs	More than 60 days past due Rs	More than 120 days past due Rs	More than 180 days past due Rs	More than 365 days past due Rs	Total Rs
Expected loss rate	0%	0%	10%	10%	50%	100%	
Gross carrying amount	1,678,393	272,061	149,281	80,348	229,226	1,028,237	3,437,547
Trade receivables not subject to loss provision	-	-	(85,101)	-	(74,712)	(728,215)	(888,028)
Loss provision	-	-	(6,418)	(8,035)	(77,257)	(300,022)	(391,733)

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements *for the year ended 31 December 2020*

5. Financial risk management (continued)

Credit risk (continued)

Exposure to credit risk (continued)

The Company has not recognised any allowance for lifetime expected credit losses (ECLs) on its trade receivables for the year ended 31 December 2020 (2019: Rs nil). The ECL as at 31 December 2020 stood at **Rs 237,252** (2019: Rs 391,733). Losses recovered during the year amounted to **Rs 154,481** (2019: Rs 364,148). The Company uses the simplified approach to compute the ECL. The rationale for using the simplified approach was the insignificant financing component embedded within the trade receivables balance

When determining the relevant loss rates (i.e. provision matrix tool) for each trade receivables balances, the Company has considered all reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking macro-economic information.

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements for the year ended 31 December 2020

5. Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the contractual, undiscounted maturities of non-derivative financial liabilities excluding the impact of netting agreements.

At 31 December 2020

Non derivative financial liabilities	Carrying amount Rs	Contractual cash flows Rs	Less than one year Rs	2 – 5 years Rs	More than 5 years Rs
Trade and other payables	1,997,205	1,997,205	1,997,205	-	-
	=====	=====	=====	=====	=====

At 31 December 2019

Non derivative financial liabilities	Carrying amount Rs	Contractual cash flows Rs	Less than one year Rs	2 – 5 years Rs	More than 5 years Rs
Trade and other payables	3,019,553	3,019,553	3,019,553	-	-
	=====	=====	=====	=====	=====

It is not expected that the cash flows included in the maturity analysis could change significantly earlier, or at significantly different amounts.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control risk exposures within acceptable parameters, while optimizing the return.

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements for the year ended 31 December 2020

5. Financial risk management (continued)

Market risk (continued)

Currency risk

The currency profile of the Company's financial assets and liabilities is summarized as follows:

	Financial Assets 2020 Rs	Financial liabilities 2020 Rs	Financial Assets 2019 Rs	Financial liabilities 2019 Rs
Mauritian Rupee	2,689,128	974,433	2,195,724	(56,695)
USD	477,586	1,022,772	2,531,988	3,076,248
	<u>3,166,714</u>	<u>1,997,205</u>	<u>4,727,712</u>	<u>3,019,553</u>

Sensitivity analysis

At 31 December 2020, if exchange rate has strengthened by 5% against the following currencies the result would be as shown below. The analysis assumes that all other variables, in particular interest rates, remain constant

	Increase/(decrease) in foreign exchange rates	Increase/(decrease) in profit after tax	Increase/(decrease) in foreign exchange rates	Increase/(decrease) In profit after tax
	2020 Rs	2020 Rs	2019 Rs	2019 Rs
USD	+5%	10,381	+5%	23,131
	-5%	(10,381)	-5%	(23,131)

Price risk

The Company is not exposed to equity price risk.

Interest rate risk

The Company is not exposed to interest rate risk.

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements for the year ended 31 December 2020

5. Financial risk management (continued)

Fair values

The fair values of financial assets and liabilities, together with their carrying amounts shown in the statement of financial position are as follows.

	Carrying values 2020 Rs	Fair values 2020 Rs	Carrying values 2019 Rs	Fair Values 2019 Rs
Trade and other receivables	1,519,193	1,519,193	3,184,888	3,184,888
Cash and cash equivalents	3,166,714	3,166,714	1,542,824	1,542,824
Trade and other payables	(1,997,205)	(1,997,205)	(3,019,553)	(3,019,553)

Financial instrument by category

31 December 2020

Financial assets

Trade and other receivables
Cash and cash equivalents

Amortised cost
Rs

Total
Rs

1,519,193

1,519,193

3,166,714

3,166,714

4,685,907

4,685,907

Amortised cost
Rs

Total
Rs

Financial liabilities

Trade and other payables

1,997,205

1,997,205

1,997,205

1,997,205

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements for the year ended 31 December 2020

5. Financial risk management (continued)

Financial instrument by category (continued)

31 December 2018

Financial assets

Trade and other receivables

Cash and cash equivalents

Amortised cost Rs	Total Rs
3,184,888	3,184,888
1,542,824	1,542,824
-----	-----
4,727,712	4,727,712
=====	=====

Financial liabilities

Trade and other payables

Amortised cost Rs	Total Rs
3,019,553	3,019,553
-----	-----
3,019,553	3,019,553
=====	=====

Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital and retained earnings of the Company. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company's net debt to adjusted equity ratio at the reporting date was as follows:

	2020 Rs	2019 Rs
Total debts	2,583,285	3,241,836
Less: cash and cash equivalents	(3,166,714)	(1,542,824)
Net debt	(583,429)	1,699,012
	-----	-----
Total equity	3,108,301	2,793,230
	-----	-----
Net debt to equity ratio	-0.188	0.608
	=====	=====

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements for the year ended 31 December 2020

5. Financial risk management (continued)

Capital risk management (continued)

There were no changes in the Company's approach to capital management during the year. At year end, the Company had no capital risk as it was not exposed to external borrowings.

6. Revenue

Revenue for the Company consists of amounts invoiced net of trade discounts, allowances, value added tax and adjustments.

7. Personnel expenses

	2020 Rs	2019 Rs
Wages and salaries	2,644,735	2,712,142
The number of persons employed at the end of the year was:	6	6

8. Net finance income/(costs)

	2020 Rs	2019 Rs
Finance income		
Exchange gain	191,821	102,238
Interest income	-	545
	191,821	102,783
Finance expense		
Exchange loss	(168,977)	(222,083)
Net finance income/(costs)	22,844	(119,300)

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements for the year ended 31 December 2020

9. Taxation

The Company is subject to income tax in Mauritius at the rate of 15%.

	2020 Rs	2019 Rs
<i>Income tax expense</i>		
Current tax	82,016	38,921
Deferred tax movement for the year (note 10)	(11,579)	3,518
Corporate Social Responsibility	5,189	41,115
COVID-19 levy*	146,400	-
	-----	-----
Tax charge in the statement of profit or loss	222,026	83,554
	=====	=====
<i>Reconciliation of effective taxation</i>		
Profit before taxation	537,097	198,424
	=====	=====
Income tax at 15%	80,564	29,764
Non-deductible expenses	59,284	110,759
Non-taxable income	(23,976)	(70,431)
Corporate Social Responsibility	5,189	41,115
COVID-19 levy	146,400	-
Annual allowance	(33,856)	(31,171)
Deferred tax movements	(11,579)	3,518
	-----	-----
Tax charge	222,026	83,554
	=====	=====
<i>Current tax liability</i>		
At 01 January	80,036	347,814
Current tax expense	82,016	38,921
Paid during the year	(80,036)	(347,814)
Corporate social responsibility	5,189	41,115
COVID-19 levy	146,400	-
	-----	-----
At 31 December	233,605	80,036
	=====	=====

* Under the COVID-19 (Miscellaneous Provision) Act 2020, the Company has benefited from an allowance under the Wage Assistance Scheme . The company is liable to pay the Mauritius Revenue Authority (MRA) at the lower of amount received or 15% of the gross income derived by the Company for the current year and the remaining balance in the next financial year. i.e. Rs 82,016 in 2021 and Rs 64,384 in 2022.

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements
for the year ended 31 December 2020

10. Plant and equipment

	Computers & electronic equipments	Furniture & fittings	Motor vehicles	Office equipment	Total
	Rs	Rs	Rs	Rs	Rs
<i>Cost</i>					
At 01 January 2020	279,030	136,777	1,109,990	24,655	1,550,452
Disposal	-	-	(53,990)	-	(53,990)
Additions	38,900	2,609	71,010		112,519
At 31 December 2020	317,930	139,386	1,127,010	24,655	1,608,981
<i>Depreciation</i>					
At 01 January 2020	235,260	136,329	170,098	24,655	566,343
Disposal	-	-	(17,997)	-	(17,997)
Charge for the year	39,550	374	221,049	-	260,973
At 31 December 2020	274,810	136,703	373,150	24,655	809,319
<i>Net book value</i>					
At 31 December 2020	43,120	2,682	753,860	-	799,661
At 31 December 2019	43,770	448	939,892	-	984,109

11. Net deferred tax (assets)/liabilities

	2020 Rs	2019 Rs
At 01 Jan	3,867	349
Movement during the year recognized in the statement of profit or loss (note 8)	(11,579)	3,518
At 31 December	(7,712)	3,867
<i>Deferred tax liabilities/(assets) are attributable to:</i>		
Accelerated capital allowances on plant and equipment	20,138	24,624
Retirements benefits obligation	(27,850)	(20,757)
	(7,712)	3,867

,ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements *for the year ended 31 December 2020*

12. Trade and other receivables

	2020	2019
	Rs	Rs
Trade receivables	1,549,985	1,362,081
Trade receivables from related parties (note 17)	146,914	2,075,465
<i>Expected credit losses</i>		
At beginning	(391,733)	(755,881)
Losses recovered and reversed during the year	154,481	364,148
	(237,252)	(391,733)
Net trade receivables	1,459,647	3,045,813
Other receivables	59,546	669,071
Other receivables written off	-	(368,374)
Prepayments and deposits	198,306	161,623
	1,717,499	3,508,133

Trade and other receivables are unsecured, interest free with no fixed repayment terms and repayable at call. The Company does not hold any collateral as security. The carrying amounts of trade receivables, other receivables and amount due from related parties approximate their fair values.

13. Cash and cash equivalents

	2020	2019
	Rs	Rs
Cash in hand	4,444	2,506
Cash at bank	3,162,270	1,540,318
	3,166,714	1,542,824
Cash and cash equivalents in the statement of cash flows	3,166,714	1,542,824

14. Share capital

	2020	2019
	Rs	Rs
<i>Authorised, issued and fully paid</i>		
675 ordinary shares of Rs 1000 each	675,000	675,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at shareholders meetings of the Company.

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements for the year ended 31 December 2020

15. Retirement benefits obligations

	2020 Rs	2019 Rs
At 01 January	138,380	98,695
Movement for the year recognized in the statement of profit or loss	47,285	39,685
At 31 December	<u>185,665</u>	<u>138,380</u>

In line with the Workers' Rights Act 2019, the Company is required to make monthly contributions to the Portable Retirement Gratuity Fund ("PRGF") for all employees in employment effective as from 01 January 2020. However due to the COVID-19, the Government of Mauritius has postponed its application as from 2021.

16. Trade and other payables

	2020 Rs	2019 Rs
Trade payables to related parties (note 17)	1,707,147	2,663,377
VAT payable	166,810	-
Other payables and accruals	290,058	356,176
	<u>2,164,015</u>	<u>3,019,553</u>

The carrying amounts of trade and other payables approximate their fair values.

17. Related party transactions

Related parties	Nature of relationship	Related party transactions	Value of transaction for the year ended 31 December 2020 Rs	Value of transaction for the year ended 31 December 2019 Rs	Debit / (credit) at 31 December 2020 Rs	Debit / (credit) at 31 December 2019 Rs
Key management personnel	Managing Director	Salaries and short-term benefits	1,113,120	1,070,278	-	-
ECU International Far East Ltd	Related company	Management fees	821,153	721,830	-	-

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements for the year ended 31 December 2020

17. Related party transactions (continued)

Related parties	Nature of relationship	Related party transactions	Value of transaction for the year ended 31 December 2020 Rs	Value of transaction for the year ended 31 December 2019 Rs	Debit / (credit) at 31 December 2020 Rs	Debit / (credit) at 31 December 2019 Rs
Ecu-Line Belgium*	Related Company	Sale of Services	24,576,390	19,426,156	146,914	2,075,465
		Purchase of services	18,978,359	14,190,762	(1,707,147)	(2,663,377)

The above transactions were carried out on normal commercial terms and in the normal course of business. There have been no guarantees provided or received for any related party receivables or payables. Outstanding balances at year end are unsecured, interest free and settlement occurs in cash.

* Ecu-Line Belgium is the office responsible for collecting all receivables and payables of ocean and air freights and paying them to the various Ecu-Line offices worldwide.

Ecu-Line Mauritius remits the net amount due to the various Ecu-Line offices with whom it has traded during the year to Ecu-Line Belgium who will individually settle same to the various Ecu-Line offices.

18. Operating lease

(i) Leases as lessee –Office

The Company leases its office premises under non-cancellable operating lease agreements with the Mauritius Freeport Development Company Limited at the MFD Business Centre in Port Louis. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payments under non-cancellable operating leases are as follows:

	2020 Rs	2019 Rs
Minimum lease payments under operating lease recognized as an expense in the year	312,731	299,016
<i>Operating lease commitments</i>		
Within one year	328,367	311,436
Between one and two years	-	-
	328,367	311,436

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements

for the year ended 31 December 2020

18. Operating lease (continued)

The above lease typically runs for an initial period of one year, with an option to renew the lease after that date. It contains no contingent rentals.

19. Holding company and ultimate holding company

The immediate holding Company is ECUHOLD N.V, a Company registered and incorporated at Schouwkesnsstraat, 1, 2030 Antwerpen, Belgium. The ultimate holding company is Allcargo Global Logistics Ltd, a Company registered and incorporated in Mumbai, India.

20. Contingencies

	2020 Rs	2019 Rs
<i>Contingent liabilities</i>		
Bank guarantees in favour of the Mauritius Revenue Authority	1,000,000	1,000,000

The directors have confirmed that the above guarantees have arisen in the ordinary course of business from which it is anticipated that no material liabilities would arise.

21. Events after reporting date

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. The directors have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for its people (such as social distancing and working from home) and securing orders from customers from home that are essential to its services.

At this stage, the impact on the Company's business and results has not been significant and based on its experience to date the board of directors expect this to remain the case. As the Company operates in the maritime and freight sector, it has found a consistent order book and expects this to continue. The Company will continue to follow the various government policies and advice and, in parallel, it will continue its operations in the same safe manner so as not to jeopardize the health of its people. At this stage, no uncertainty about the entity's ability to continue as a going concern exists, bearing in mind the note regarding the impact of COVID-19 on liquidity. This is considered a non-adjusting event after the reporting date.

There have been no other significant events after the statement of financial position date which in the opinion of the board of directors requires disclosure in the financial statement

ECU WORLDWIDE (MAURITIUS) LTD

Statement of profit or loss and other comprehensive income for the year ended 31 December 2020

	Appendix	2020 Rs	2019 Rs
Revenue	1	24,576,390	19,426,156
Cost of sales	2	(18,978,359)	(14,190,762)
Gross profit		5,598,031	5,235,394
Other income	3	177,526	480,794
Administrative expenses	4	(5,261,304)	(5,398,464)
Profit from operations		514,253	317,724
Net finance income/(costs)	5	22,844	(119,300)
Profit before taxation		537,097	198,424

ECU WORLDWIDE (MAURITIUS) LTD

Appendix

for the year ended 31 December 2020

1. Revenue

	2020 Rs	2019 Rs
Operating revenue – import	22,181,249	17,666,573
Operating revenue - export	2,395,141	1,789,583
	<u>24,576,390</u>	<u>19,456,156</u>

2. Cost of sales

	2020 Rs	2019 Rs
Operational costs – import	17,295,634	13,129,737
Operational costs - export	1,682,725	1,061,025
	<u>18,978,359</u>	<u>14,190,762</u>

3. Other income

	2020 Rs	2019 Rs
Proceeds from disposal of vehicles	5,357	105,392
Bad debts recovered	154,481	364,148
Other miscellaneous income	-	11,254
Sundry creditors written back	17,688	-
	<u>177,526</u>	<u>480,794</u>

ECU WORLDWIDE (MAURITIUS) LTD

Appendix

for the year ended 31 December 2020

4. Administrative expenses

	2020 Rs	2019 Rs
Salaries & wages	2,644,735	2,712,142
Employee benefits	47,285	39,686
Management fees	821,153	721,830
Rent	320,531	340,887
Motor vehicle running expenses	134,757	127,785
Overseas travelling	-	64,226
Communication costs	84,835	77,532
Other staff costs	73,158	92,365
Depreciation	260,973	169,868
Professional fees	181,020	277,315
Repairs and maintenance	13,940	32,997
Stationery, postage, printing & office supplies	82,876	65,069
Bank charges	85,886	32,239
Staff welfare & entertainments	49,396	51,675
License & permits	259,320	16,938
Marketing expenses	243	28,524
Insurance expenses	105,993	51,213
Subscriptions & memberships	10,590	11,200
Other receivables written off	-	368,374
Computer expenses	-	1,922
Office expenses	50,512	67,087
Donations	12,700	3,500
Penalties	21,401	-
Sundries	-	44,090
	<u>5,261,304</u>	<u>5,398,434</u>

5. Net finance income/(costs)

	2020 Rs	2019 Rs
Finance income		
Exchange gain	191,821	102,238
Interest income	-	545
	<u>191,821</u>	<u>102,783</u>
Finance expense		
Exchange loss	(168,977)	(222,083)
	<u>(168,977)</u>	<u>(222,083)</u>
Net finance income/(costs)	<u>22,844</u>	<u>(119,300)</u>