

**ECU SHIPPING LOGISTICS (K) LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**COMPANY INFORMATION**

<b>BOARD OF DIRECTORS</b>	: Rene Marcel Wernli (Swiss) : Sanjeev Sukumaran (Indian) : Saleem Mohamed Nazir (British)
<b>REGISTERED OFFICE</b>	: Inchcape House 3rd Floor : Archbishop Makarios Road, off Moi Avenue : Mombasa District : P.O Box 94066 - 80107 : Kilindini
<b>INDEPENDENT AUDITOR</b>	: PKF Kenya LLP : Certified Public Accountants : P.O. Box 90553 - 80100 : Mombasa
<b>COMPANY SECRETARY</b>	: Africa Registrars : Certified Public Secretaries : P.O. Box 1243- 00100 : Nairobi
<b>PRINCIPAL BANKER</b>	: Stanbic Bank Limited : P.O. Box 90131 - 80100 : Mombasa
<b>LEGAL ADVISORS</b>	: Kiarie, Kariuki & Co. Advocates : Ambalal House : P.O. Box 838 - 80100 : Mombasa
<b>PARENT COMPANY</b>	: Ecu Worldwide (Kenya) Limited : Mombasa

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## **REPORT OF THE DIRECTORS**

The directors submit their report and the audited financial statements For the year ended 31 December 2020 which disclose the state of affairs of the company.

### **PRINCIPAL ACTIVITY**

The principal activity of the company is that of lodging import manifests.

### **BUSINESS REVIEW**

The turnover of the company increased from Shs 1,076,000 in 2019 to Shs 1,088,000 in 2020. This is mainly attributed to increase in number of manifests lodged. The profit before tax increased from Shs 65,806 in 2019 to Shs 76,879 in 2020 reflecting the effects of above.

As at 31 December 2020, the net asset position of the company was Shs 1,058,521 compared to Shs 2,141,740 as at 31 December 2019.

<b>Key performance indicators</b>	<b>2020</b>	<b>2019</b>
Turnover (Shs)	1,088,000	1,076,000
Profit for the year (Shs)	58,521	46,064
Net profit margin (%)	5.38%	4.28%
Net assets (Shs)	1,058,521	2,141,740
Return on capital employed (%)	7.26%	3.07%

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The overall business environment continues to remain challenging and this has a resultant effect on overall demand of the company's services. The company's strategic focus is to enhance sales growth whilst profit margins, the success of which remains dependent on overall market conditions and other factors such as the impact of the recent coronavirus (Covid-19) outbreak.

The world is experiencing a significant challenge emanating from the Covid-19 pandemic. Globally and locally, the authorities are attempting to stop the spread of the virus with the introduction of various measures, including complete lock downs of countries. The Kenya Government has introduced certain economic stimulus proposals to to ease the burden of businesses and their citizens as a whole. At company level, we are following the developments, particularly the impact on business, its staff, customers and other stakeholders. Preliminary measures and business continuity plans to mitigate adverse impact are being activated and will be closely monitored and the company will continually assess them on an ongoing basis and adopt changes as events unfold. These financial statements have not been adjusted for potential impacts of the Covid-19 pandemic.

The company's activity is not exposed to any significant financial risks including credit risk and liquidity risk.

### **DIVIDEND**

During the year, a final dividend of Shs 1,140 per share (2019: Nil), amounting to a total of Shs 1,140,740 (2019: Nil) was declared.

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**REPORT OF THE DIRECTORS (CONTINUED)**

**DIRECTORS**

The directors who held office during the year and to the date of this report are shown on page 1.

In accordance with the company's Articles of Association, no director is due for retirement by rotation.

**STATEMENT AS TO DISCLOSURE TO THE COMPANY'S AUDITOR**

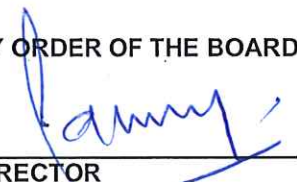
With respect to each director at the time this report was approved:

- (a) there is, so far as the person is aware, no relevant audit information of which the company's auditor is unaware; and
- (b) the person has taken all the steps that the person ought to have taken as a director so as to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**TERMS OF APPOINTMENT OF THE AUDITOR**

PKF Kenya LLP continues in office in accordance with the company's Articles of Association and Section 719 of the Kenyan Companies Act, 2015. The directors monitor the effectiveness, objectivity and independence of the auditor. The directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees. The agreed auditor's remuneration of Shs 207,244 has been charged to profit or loss in the year.

**BY ORDER OF THE BOARD**

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**DIRECTOR**  
**MOMBASA**

21-MARCH - 2021

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Kenyan Companies Act, 2015 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company maintains proper accounting records that are sufficient to show and explain the transactions of the company; and that disclose, with reasonable accuracy, the financial position of the company and that enables them to prepare financial statements of the company that comply with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Kenyan Companies Act, 2015. The directors are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors accept responsibility for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

- i) Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii) Selecting and applying appropriate accounting policies;
- iii) Making accounting estimates and judgements that are reasonable in the circumstances.

The directors are of the opinion that the financial statements give a true and fair view of the financial position of the company as at 31 December 2020 and of the company's financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Kenyan Companies Act, 2015.

In preparing these financial statements the directors have assessed the company's ability to continue as a going concern. Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the board of directors on 21-MARCH- 2021 signed on its behalf by:

  
\_\_\_\_\_  
**DIRECTOR**

  
\_\_\_\_\_  
**DIRECTOR**



## REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF ECU SHIPPING LOGISTICS (K) LTD

### Opinion

We have audited the financial statements of Ecu Shipping Logistics (K) Limited, set out on pages 7 to 16 which comprise the statement of financial position as at 31 December 2020, the statement of profit or loss, the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2020, and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) and the Kenyan Companies Act, 2015.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

The directors are responsible for the other information. The other information comprises the directors' report and schedule of expenditure but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information, and we do not express 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 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.

### Responsibilities of Directors for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS for SMEs, and the requirements of the Kenyan Companies Act, 2015, and for such internal control as the directors 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 for accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

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PKF Kenya, a partnership carrying on business under BN registration no. 309855 was on 10 March 2020 converted to PKF Kenya LLP (LLP-8519PL), a limited liability partnership under the Limited Liability Partnership Act, 2011.

Partners: A. Shah, A. Vadher, P. Shah, R. Mirchandani\*, D. Kabeberi, C. Oguttu\*\*\*, A. Chaudhry, K. Shah\*\*, M. Mburugu, G. Santokh, D. Shah, S. Alibhai, L. Abreu, P. Kuria, N. Shah, J. Shah, E. Njuguna, P. Kahi, A. Chandria, M. Kimundu, S. Chheda\*\*, M. Bhavsar, C. Mukunu, K. Bharadva (\*Indian, \*\*British, \*\*\*Ugandan)

PKF Kenya LLP and its associates are member firms of the PKF International Limited family of legally independent firms and do not accept any responsibility or liability for the actions or inactions of any other individual member or correspondent firm or firms

**REPORT OF THE INDEPENDENT AUDITOR  
TO THE MEMBERS OF ECU SHIPPING LOGISTICS (K) LIMITED (CONTINUED)****Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Other Matters Prescribed by the Kenyan Companies Act, 2015**

In our opinion the information given in the report of the directors on pages 2 and 3 is consistent with the financial statements.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Piyush Ramesh Devchand Shah P/No 1521

  
For and on behalf of PKF Kenya LLP  
Certified Public Accountants  
Mombasa

15 April 2021

0061/2021



*Ecu Shipping Logistics (K) Limited*  
*Annual report and financial statements*  
*For the year ended 31 December 2020*

**STATEMENT OF PROFIT OR LOSS**

	<b>Notes</b>	<b>2020 Shs</b>	<b>2019 Shs</b>
Revenue		1,088,000	1,076,000
Other income	3	66,937	116,982
Administrative expenses		<u>(1,078,058)</u>	<u>(1,127,176)</u>
<b>Profit before tax</b>		76,879	65,806
Tax charge	5	<u>(18,358)</u>	<u>(19,742)</u>
<b>Profit for the year</b>		<u><u>58,521</u></u>	<u><u>46,064</u></u>
<b>Dividend</b>			
Final 2020 declared		<u><u>1,140,740</u></u>	<u><u>-</u></u>


The notes on pages 11 to 16 form an integral part of these financial statements.

Report of the independent auditor - pages 5 - 6.

**STATEMENT OF FINANCIAL POSITION**

	Notes	As at 31 December	
		2020 Shs	2019 Shs
<b>EQUITY</b>			
Share capital	7	1,000,000	1,000,000
Retained earnings		58,521	1,141,740
<b>Equity attributable to owners of the company</b>		<u>1,058,521</u>	<u>2,141,740</u>
<b>REPRESENTED BY</b>			
<b>Non-current assets</b>			
Deferred tax	8	44,033	38,860
<b>Current assets</b>			
Financial asset	10	1,478,389	1,456,153
Trade and other receivables	11	8,764	40,672
Cash and cash equivalents	12	350,609	494,444
Tax recoverable		365,430	334,561
		<u>2,203,192</u>	<u>2,325,830</u>
<b>Current liabilities</b>			
Trade and other payables	13	162,166	222,950
Borrowings	9	1,026,538	
		<u>1,188,704</u>	<u>222,950</u>
<b>Net current assets</b>		<u>1,014,488</u>	<u>2,102,880</u>
		<u>1,058,521</u>	<u>2,141,740</u>

The financial statements on pages 7 to 16 were approved and authorised for issue by the board of directors on 21-MARCH 2021 and were signed on its behalf by:

 **DIRECTOR**

 **DIRECTOR**

The notes on pages 11 to 16 form an integral part of these financial statements.

Report of the independent auditor - pages 5 - 6.

**STATEMENT OF CHANGES IN EQUITY**

	Ordinary share capital Shs	Retained earnings Shs	Total Shs
<b>Year ended 31 December 2020</b>			
At start of year	1,000,000	1,141,740	2,141,740
Dividends declared	-	(1,141,740)	(1,141,740)
Profit for the year	-	58,521	58,521
At end of year	<u>1,000,000</u>	<u>58,521</u>	<u>1,058,521</u>
<b>Year ended 31 December 2019</b>			
At start of year	1,000,000	1,095,676	2,095,676
Profit for the year	-	46,064	46,064
At end of year	<u>1,000,000</u>	<u>1,141,740</u>	<u>2,141,740</u>

Report of the independent auditor - pages 5 - 6.

**STATEMENT OF CASH FLOWS**

	Notes	2020 Shs	2019 Shs
<b>Cash flows from operating activities</b>			
Profit before tax		76,879	65,806
<b>Adjustments for:</b>			
Interest income	3	(66,937)	(114,982)
Changes in working capital:			
- financial asset	9	(22,236)	(10,187)
- trade and other receivables	10	31,908	6,421
- trade and other payables	12	(60,784)	(9,044)
Tax paid		<u>(54,400)</u>	<u>(53,800)</u>
Net cash used in operating activities		<u>(95,570)</u>	<u>(115,786)</u>
<b>Cash flows from investing activities</b>			
Interest received		<u>66,937</u>	<u>114,982</u>
Net cash from investing activities		<u>66,937</u>	<u>114,982</u>
<b>Cashflows from financing activities</b>			
Dividends paid	6	<u>(115,202)</u>	<u>-</u>
Net cash used in financing activities		<u>(115,202)</u>	<u>-</u>
<b>Decrease in cash and cash equivalents</b>		<u>(143,835)</u>	<u>(804)</u>
<b>Movement in cash and cash equivalents</b>			
At start of year		494,444	495,248
Decrease		<u>(143,835)</u>	<u>(804)</u>
At end of year	11	<u>350,609</u>	<u>494,444</u>

The notes on pages 11 to 16 form an integral part of these financial statements.

Report of the independent auditor - pages 5 - 6.



**NOTES: SIGNIFICANT ACCOUNTING POLICIES**

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

**1. General Information**

Ecu Shipping Logistics (K) Limited is a limited liability company incorporated and domiciled in Kenya. The address of its registered office and principal place of business is in Mombasa, Kenya. Their principal activity is that of lodging import manifests.

**2. a) Basis of preparation**

The financial statements of Ecu Shipping Logistics (K) Limited have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with the IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

These financial statements comply with the requirements of the Kenyan Companies Act, 2015. The statement of profit or loss represents the profit and loss account referred to in the Act. The statement of financial position represents the balance sheet referred to in the Act.

**Going concern**

The financial performance of the company is set out in the directors' report and in the statement of profit or loss. The financial position of the company is set out in the statement of financial position. Disclosures in respect of principal risks and uncertainties are included within the director's report.

Based on the financial performance and position of the company and its risk management policies, the directors are of the opinion that the company is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

**b) Revenue recognition**

The company recognises revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the company's activities.

- i) Sales of services are recognised upon performance of the services rendered by reference to the stage of completion of the service contract;
- ii) Interest income is accrued by reference to time in relation to the principal outstanding and the effective

**c) Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise of cash at bank.

**NOTES: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**d) Financial assets**

Trade and other receivables are initially recognised at the transaction price (less transaction costs). Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Debt instruments such as Treasury bills or corporate bonds are initially recognised at the transaction price including transaction costs, and subsequently measured at amortised cost using the effective interest method.

**e) Financial liabilities**

Financial liabilities are initially recognised at the transaction price (less transaction costs). Trade payables are obligations on the basis of normal credit terms and do not bear interest.

**f) Current and deferred income tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in equity. In this case, the tax is also recognised in equity.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised.

**Offsetting**

An entity shall offset current tax assets and current tax liabilities, or offset deferred tax assets and deferred tax liabilities if, and only if, it has a legally enforceable right to set off the amounts and the entity can demonstrate without undue cost or effort that it plans either to settle on a net basis or to realise the asset and settle the liability simultaneously.

**g) Share capital**

Ordinary shares are classified as equity.

**h) Dividend distribution**

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

**NOTES (CONTINUED)**

<b>3. Other income</b>	<b>2020 Shs</b>	<b>2019 Shs</b>
Miscellaneous Income	-	2,000
Interest income from treasury bill	<u>66,937</u>	<u>114,982</u>
	<u><u>66,937</u></u>	<u><u>116,982</u></u>

**4. Profit before tax**

The following item has been charged in arriving at profit before tax:

Auditors' remuneration	<u>207,244</u>	<u>197,375</u>
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**5. Tax**

Current tax	23,531	36,891
Deferred tax credit (Note 7)	<u>(5,173)</u>	<u>(17,149)</u>
Tax charge	<u><u>18,358</u></u>	<u><u>19,742</u></u>

The tax on the company's profit before tax differs from the theoretical amount that would arise using the basic rate as follows:

Profit before tax	<u>76,879</u>	<u>65,806</u>
Tax calculated at a tax rate of 25% (2019: 30%)	19,220	19,742
Tax effect of:		
- deferred tax income resulting from changes in tax rates	<u>(862)</u>	<u>-</u>
Tax charge	<u><u>18,358</u></u>	<u><u>19,742</u></u>

The current tax charge is applicable to interest received on treasury bills.

The tax loss carried forward at the reporting date of Shs 153,983 expires as follows:

<b>Origin year</b>	<b>Shs</b>	<b>Expiry</b>
2017	66,223	31 December 2026
2018	38,584	31 December 2027
2019	<u>49,176</u>	31 December 2028
	<u><u>153,983</u></u>	

**6. Dividends**

The directors declared a final dividend of Shs 1,141.74 per share (2019: Nil) amounting to a total of Shs 1,140,740 (2019: Nil).

In accordance with the Kenyan Companies Act 2015, these financial statements reflect this dividend payable which is accounted for in the shareholders' funds as an appropriation of retained profits in the year ended 31 December 2020.

Payment of dividend is subject to a withholding tax at the rate of 10% for residents and 15% for non-residents. Payment of dividends to shares held by resident limited entities in excess of 12.5% of the shareholding are exempt from withholding tax.

**NOTES (CONTINUED)**

**7. Share capital**

	2020 Shs	2019 Shs
<b>Authorised, issued and fully paid:</b>		
1,000 (2019: 1,000) ordinary shares of Shs 1,000 each	<u>1,000,000</u>	<u>1,000,000</u>

**8. Deferred tax**

Deferred tax is calculated, in full, on all temporary timing differences under the liability method using a principal tax rate of 30% (2019: 30%). The movement on the deferred tax account is as follows:

	2020 Shs	2019 Shs
At start of year	(38,860)	(21,711)
Credit to profit or loss (Note 5)	<u>(5,173)</u>	<u>(17,149)</u>
At end of year	<u>(44,033)</u>	<u>(38,860)</u>

Deferred tax (assets)/liabilities and deferred tax (credit)/charge in profit or loss is attributable to the following items:

	At start of year Shs	(Credit)/charge to profit or loss Shs	At end of year Shs
<b>Deferred tax liability</b>			
Accrued interest	<u>10,318</u>	<u>(8,156)</u>	<u>2,162</u>
<b>Deferred tax asset</b>			
Tax losses carried forward	<u>(49,178)</u>	<u>2,983</u>	<u>(46,195)</u>
<b>Net deferred tax asset</b>	<u>(38,860)</u>	<u>(5,173)</u>	<u>(44,033)</u>

**9. Borrowings**

The borrowings are made up as follows:

	2020 Shs	2019 Shs
<b>Current</b>		
Borrowings from parent (Note 14 (iv))	<u>1,026,538</u>	<u>-</u>
<b>Total borrowings</b>	<u>1,026,538</u>	<u>-</u>

The borrowings from parent is interest free, unsecured and has no specific terms of repayment.

**10. Financial assets**

	2020 Shs	2019 Shs
Treasury bill	<u>1,478,389</u>	<u>1,456,153</u>

The treasury bill with a face value of Shs 1,500,000 was purchased from Stanbic Bank Kenya Limited, through a tender dated 21 December 2020. The investment matures within 3 months from the date acquired, and is expected to be rolled forward every 6 months.



**NOTES (CONTINUED)**

**11. Trade and other receivables**

	<b>2020 Shs</b>	<b>2019 Shs</b>
Other receivables	7,204	34,392
Prepayments	1,560	2,280
Amount due from parent company (Note 14 (iii) (a))	-	4,000
	<u>8,764</u>	<u>40,672</u>

**12. Cash and cash equivalents**

	<b>2020 Shs</b>	<b>2019 Shs</b>
Cash at bank	<u>350,609</u>	<u>494,444</u>

For the purpose of the statement of cash flows, the year end cash and cash equivalents comprises of the above balance.

**13. Trade and other payables**

Accruals	160,166	220,950
Amount due to parent company (Note 14 (iii) (b))	<u>2,000</u>	<u>2,000</u>
	<u>162,166</u>	<u>222,950</u>

**14. Related party transactions and balances**

The company is controlled by Ecu Worldwide (Kenya) Limited, incorporated in Kenya, which owns 99% of the company's shares.

The following transactions were carried out with related party:

	<b>2020 Shs</b>	<b>2019 Shs</b>
<b>i) Sale of services</b>		
Parent	<u>1,046,400</u>	<u>1,076,000</u>
<b>ii) Purchase of services</b>		
Parent	<u>549,600</u>	<u>556,800</u>
<b>iii) Outstanding balances arising from provision and purchase of services</b>		
a) Receivable from parent company (Note 11)		
Parent	<u>-</u>	<u>4,000</u>

**NOTES (CONTINUED)**

**14. Related party transactions and balances (continued)**

	<b>2020 Shs</b>	<b>2019 Shs</b>
<b>iii) Outstanding balances arising from provision and purchase of services (continued)</b>		
b) Payable to parent company (Note 13)		
Parent	<u>2,000</u>	<u>2,000</u>

The payable to the parent company is interest free, unsecured and has no specific dates of dates of repayment.

**iv) Borrowings from parent**

	<b>2020 Shs</b>	<b>2019 Shs</b>
At start of year	-	-
Dividend	1,141,740	-
Repayment	<u>(115,202)</u>	<u>-</u>
At end of year (Note 9)	<u>1,026,538</u>	<u>-</u>

The borrowings from parent company is interest free, unsecured and has no specific dates of repayment.

**15. Presentation currency**

The financial statements are presented in Kenya Shillings except where stated otherwise.

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*Ecu Shipping Logistics (K) Limited*  
*Annual report and financial statements*  
*For the year ended 31 December 2020*

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**SCHEDULE OF EXPENDITURE**

**1. ADMINISTRATIVE EXPENSES**

	<b>2020</b>	<b>2019</b>
	<b>Shs</b>	<b>Shs</b>
Management fees	549,600	556,800
VAT element on expenses	62,023	66,540
Licences	61,925	66,012
Printing and stationery	20,610	26,265
Audit fees	207,244	197,375
Legal and professional fees	128,358	170,821
Secretarial	35,000	35,414
Bank charges and commissions	13,298	7,949
<b>Total administrative expenses</b>	<b>1,078,058</b>	<b>1,127,176</b>