EUROCENTRE FZCO

FINANCIAL STATEMENTS

DECEMBER 31, 2024

EUROCENTRE FZCO
Dubai - United Arab Emirates

Financial statements for the year ended December 31, 2024

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MANAGER'S REPORT

The Manager presents his report and the financial statements of **Eurocentre FZCO** (the "Company") for the year ended December 31, 2024.

PRINCIPAL ACTIVITIES OF THE COMPANY

The Company is licensed to and engages in providing shipment services on containers loading and offloading services, goods air and marine and customs clearance. In addition, the Company also generates rental income by making available space within its premises to related parties.

FINANCIAL REVIEW

The table below summarises the financial results:

	2024 AED	2023 AED
Revenue	12,630,515	12,038,595
Gross profit	6,968,969	6,367,004
Gross profit margin	55.18%	52.89%
Profit for the year	5,622,157	3,391,619

AUDITORS

A resolution to reappoint Moore MKM Chartered Accountants as auditors for the ensuing year will be proposed in the Annual General Meeting of the Company.

ADOPTION OF FINANCIAL STATEMENTS

The Company's financial statements for the year ended December 31, 2024 will be adopted in the Annual General Meeting of the Company.

EVENTS AFTER THE REPORTING DATE

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

STATEMENT OF MANAGER'S RESPONSIBILITIES

The financial statements for the year under review have been prepared in conformity with International Financial Reporting Standards. The Manager confirms that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the Company and ensure that the financial statements comply with the applicable provisions of the U.A.E Federal Decree-Law No (32) of 2021 on Commercial Companies (the "Federal Law"). The Manager confirms that appropriate accounting policies have been selected and applied consistently in order to ensure that the financial statements reflect fairly the form and substance of the transactions carried out during the year and reasonably present the Company's financial condition and results of its operations.

These financial statements were authorised for issue on JUN 26, 2025 by:

Rahul Rai

Mr. Rahul Rai
Manager

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P.O.Box: 28430
DUBAI - U.A.E.
EUROCENTRE FZCO

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مستوى ١٨ , جناح ١٨٠١-١٠
جميرا باي تاور X2 , مجمع X
ص.ب.: ١١٥٩١٥, أبراج بحيرات جميرا
دبي، الإمارات العربية المتحدة
هاتف: ٧٢٤٨ ٣٦٩ ٤ ٩٧١+ , فاكس: ٧١٩٣ ٣٦٩ ٤ ٩٧١+
البريد الإلكتروني : info@bakertillyjfc.com
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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EUROCENTRE FZCO

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Eurocentre FZCO** (the "Company"), which comprise the statement of financial position as at December 31, 2024, the related statements of comprehensive income, cash flows and changes in equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards – Accounting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). 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 (including International Independence Standards) ("IESBA Code"), together with the other ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our 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

Management is responsible for the other information. The other information comprises the Manager's Report set out on page 1. The other information does not include the financial statements and our independent 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 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 on the other information, 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 Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and in compliance with the applicable provisions of the Jabel Ali Free Zone Companies Implementing Regulations 2016 (the "Implementing Regulations") and the U.A.E. Federal Decree-Law No. (32) of 2021 on Commercial Companies (the "Federal Law"), as may be applicable to Free Zone Companies, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The management is responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
EUROCENTRE FZCO (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 ISA 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 the financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism 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 controls;
- obtain an understanding of internal controls 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 controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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; and
- 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 management, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EUROCENTRE FZCO (continued)

Report on Other Legal and Regulatory Requirements

As required by the provisions of the Implementing Regulations and the Federal Law, we confirm that we have obtained all the information and explanations necessary for our audit and proper books of account have been maintained by the Company. Further, we are not aware of any contravention during the year of the provisions of the Implementing Regulations or of the Federal Law, as may be applicable to Free Zone Companies or of the Company's Memorandum and of Association or its Articles of Association which might have materially affected the activities, or the financial position of the Company as at December 31, 2024, or the results of its operations for the year then ended.

BAKER TILLY MKM
Chartered Accountants

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P.O.Box: 115915
DUBAI U.A.E.
BAKER TILLY MKM CHARTERED ACCOUNTANTS

Vijaya Kumar Subramonian
Partner
Registration No. 5732
Dubai, United Arab Emirates

June 26, 2025

EUROCENTRE FZCO
Dubai - United Arab Emirates

Statement of financial position
As at December 31, 2024

		2024	2023
ASSETS	**Notes**	**AED**	**AED**
Current assets			
Cash and cash equivalents	6	1,128,305	514,386
Accounts receivable	7	105,836	1,618,465
Other receivables	8	526,295	658,182
Due from related party	9.1	10,659,635	4,136,751
		12,420,071	6,927,784
Non-current assets			
Right-of-use asset	10.3	3,886,755	4,318,616
Property and equipment	11.3	888,223	396,156
		4,774,978	4,714,772
TOTAL ASSETS		17,195,049	11,642,556
LIABILITIES AND EQUITY			
Current liabilities			
Accounts and other payables	12	806,712	475,959
Lease liability	13	420,740	412,429
		1,227,452	888,388
Non-current liabilities			
Lease liability	13	3,696,287	4,117,997
Employees' end-of-service benefits	14	1,374,326	1,361,344
		5,070,613	5,479,341
Total liabilities		6,298,065	6,367,729
Equity			
Share capital	2	1,300,000	1,300,000
Statutory reserve		650,000	650,000
Retained earnings		8,946,984	3,324,827
Total equity		10,896,984	5,274,827
TOTAL LIABILITIES AND EQUITY		17,195,049	11,642,556

The accompanying notes from 1 to 23 form an integral part of these financial statements.

The report of the independent auditor is set out on pages 2 to 4.

The financial statements were authorised for issue on JUN 26, 2025 by:

Rahul Rai

Mr. Rahul Rai
Manager

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BAKER TILLY MKM CHARTERED ACCOUNTANTS

EUROCENTRE FZCO
Dubai - United Arab Emirates

Statement of comprehensive income
For the year ended December 31, 2024

	Note	2024 AED	2023 AED
Revenue	15	12,630,515	12,038,595
Direct costs	16	(5,661,546)	(5,671,591)
Gross profit		6,968,969	6,367,004
Other income	17	600,096	175,715
General and administrative expenses	18	(1,860,907)	(3,056,920)
Finance costs	19	(86,001)	(94,180)
Profit for the year		5,622,157	3,391,619
Other comprehensive income		-	-
Total comprehensive income for the year		5,622,157	3,391,619

The accompanying notes from 1 to 23 form an integral part of these financial statements.

The report of the independent auditor is set out on pages 2 to 4.

EUROCENTRE FZCO
Dubai - United Arab Emirates

Statement of cash flows
For the year ended December 31, 2024

	Note	2024 AED	2023 AED
Cash flows from operating activities			
Profit for the year		5,622,157	3,391,619
Adjustments for:			
Depreciation of property and equipment	11.4	173,799	155,842
Provision for employees' end-of-service benefits	14	251,836	259,048
Depreciation of right-of-use asset	16	431,861	431,861
Interest income on amouts due from related party	17	(348,247)	-
Interest on lease liability	19	86,001	94,180
Operating profit before working capital changes		6,217,407	4,332,550
Change in accounts receivable		1,512,629	(1,262,868)
Change in other receivables		131,887	(199,450)
Movement in related party balances, net		(6,174,637)	(82,985)
Change in accounts and other payables		330,753	(365,096)
Cash flows generated from operations		2,018,039	2,422,151
Employees' end-of-service benefits paid	14	(238,854)	(135,846)
Net cash generated from operating activities		1,779,185	2,286,305
Cash flows from investing activities			
Acquisition of property and equipment	11.1	(665,866)	-
Net cash (used in) investing activities		(665,866)	-
Cash flows from financing activities			
Dividends paid		-	(1,636,832)
Lease payments	13.1	(499,400)	(499,400)
Net cash (used in) financing activities		(499,400)	(2,136,232)
Net increase in cash and cash equivalents		613,919	150,073
Cash and cash equivalents at the beginning of the year		514,386	364,313
Cash and cash equivalents at the end of the year	6	1,128,305	514,386

The accompanying notes from 1 to 23 form an integral part of these financial statements.

The report of the independent auditor is set out on pages 2 to 4.

EUROCENTRE FZCO
Dubai - United Arab Emirates

Statement of changes in equity
For the year ended December 31, 2024

	Share capital AED	Statutory reserve AED	Retained earnings AED	Total AED
As at January 1, 2023	1,300,000	583,208	1,636,832	3,520,040
Dividends paid	-	-	(1,636,832)	(1,636,832)
Total comprehensive income for the year	-	-	3,391,619	3,391,619
Movement during the year	-	66,792	(66,792)	-
As at December 31, 2023	1,300,000	650,000	3,324,827	5,274,827
Total comprehensive income for the year	-	-	5,622,157	5,622,157
As at December 31, 2024	1,300,000	650,000	8,946,984	10,896,984

The accompanying notes from 1 to 23 form an integral part of these financial statements.

The report of the independent auditor is set out on pages 2 to 4.

P.O. BOX 116915
DUBAI - U.A.E.
BAKER TILLY MKM CHARTERED ACCOUNTANTS

1. LEGAL STATUS AND BUSINESS ACTIVITIES

a) **EUROCENTRE FZCO** (the "Company") is a Free Zone Company with Limited Liability incorporated on January 1, 2004 and operates under Service License No. 4577 issued by Jebel Ali Free Zone Authority ("JAFZA").

b) The Company is licensed to and engages in containers loading and unloading, and cargo loading and unloading services.

In addition, the Company also generates rental income by making available space within its premises to related parties.

c) The Registered Office of the Company is Plot No MO0109 P.O. Box 28430, Jebel Ali 28430, Dubai, U.A.E.

d) The control and management of the Company is vested with Mr. Rahul Rai (Indian National), the Manager.

2. SHARE CAPITAL

The authorised, issued and paid-up capital of the Company is AED 1,300,000, divided into 13 shares of AED 100,000 each, fully paid up, and held by the shareholders as at the reporting date are as follows:

Name of the Shareholders	Country of Incorporation	No. of shares	Amount in AED	%
ECU Hold N.V.	Belgium	12	1,200,000	92
Antwerp Freight Station N.V.	Belgium	1	100,000	8
Total		**13**	**1,300,000**	**100**

The Parent Company is ECU Hold N.V. (a company incorporated in Belgium) and the Ultimate Parent Company is Allcargo Global Logistics Ltd (a company incorporated in India).

The Company is part of the ECU Group of Companies (the "Group") and the Ultimate Beneficial Owner is Mr. Shashi Kiran Shetty (Indian National).

3. BASIS OF PREPARATION

a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards - Accounting Standards ("IFRS Accounting Standards") issued by the International Accounting Standards Board ("IASB"), Interpretations issued by the IFRS Interpretations Committee (the "Committee"), the Jebel Ali Free Zone Companies Implementing Regulation 2016 (the "Implementing Regulations"), and the U.A.E. Federal Decree-Law No. (32) on Commercial Companies of 2021 ("the Federal Law"), as may be applicable to Free Zone Companies.

b) Accounting convention

These financial statements have been prepared in accordance with the historical cost convention and accruals basis of accounting.

c) Functional and reporting currency

The functional and reporting currency of the Company is U.A.E. Dirham ("AED") as most of the transactions are effected in that currency. The Company also transacts in United States Dollars ("USD").

d) Changes in accounting policies and disclosures

The accounting policies are consistent with those used in the previous financial year, except for the following amendments to IFRS Accounting Standards that are mandatorily effective for accounting years of the Company beginning on or after January 1, 2024:

3. BASIS OF PREPARATION (continued)

d) Changes in accounting policies and disclosures (continued)

New standards, interpretations and amendments

• Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements - Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosure.
• Amendments to IFRS 16	Lease Liability in a Sale and Leaseback - Specific measurement requirements for lease liabilities that may contain variable lease payments arising in a sale and leaseback transaction.
• Amendments to IAS 1	Classification of Liabilities as Current or Non-Current - Settlement refers to a transfer to the counterparty that results in the extinguishment of the liability.
• Amendments to IAS 1 Non-current Liabilities with Covenants	Right to defer settlement of a liability subject to covenants at the end of the reporting period.

The adoption of these new standards, interpretations and amendments did not have any material impact on the Company's financial statements for the year ended December 31, 2024.

New standards, improvements, interpretations and amendments issued but not yet effective.

The following new standards, improvements, interpretation and amendments had been issued at the reporting date but are not mandatory until accounting periods beginning on or after the dates shown and hence have not been early adopted by the Company in preparing the financial statements for the year ended December 31, 2024.

• Amendment to IAS 21	Lack of Exchangeability (The Effects of Changes in Foreign Exchange Rates) (January 1, 2025)
• Amendments to IFRS 9	Financial Instruments and IFRS 7- Amendments to the Classification and Measurement of Financial Instruments (January 1, 2026)
• Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity (January 1, 2026)
• Amendments to IFRS 18	Presentation and Disclosure in Financial Statements (January 1, 2027)
• Amendments to IFRS 19	Subsidiaries without Public Accountability: Disclosures (January 1, 2027)

All of the above standards, interpretations and amendments will be adopted by the Company to the extent applicable from their effective dates. The adoption of these standards, interpretations and amendments is not expected to have a material impact on the financial statements of the Company in the year of their initial application.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES

A summary of the material accounting policies, which have been applied consistently, is set out below:

a) **Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Except for the financial assets that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

P.O. BOX 113515 DUBAI - U.A.E.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

a) Financial instruments (continued)

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss ("FVTPL"); and
- fair value through other comprehensive income ("FVOCI").

The above classification is determined by both:

i. the Company's business model for managing the financial asset; and
ii. the contractual cash flow characteristics of the financial asset.

All expenses relating to the financial instruments that are recognised in the statement of comprehensive income are presented within general and administrative expenses or finance cost as appropriate.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect their contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest rate method.

The Company's cash and cash equivalents, accounts receivable and other receivables (excluding prepaid expenses, VAT recoverable, net, and advances to suppliers), and due from related party fall into this category of financial instruments.

Financial liabilities at amortised cost

All financial liabilities are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. The Company's accounts and other payables and lease liability fall into this category of financial instruments.

b) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and balance with bank.

c) Accounts receivable

Accounts receivable are stated at original invoice amount less an allowance for expected credit losses ("ECL") allowance as per IFRS 9. Accounts receivable are written off when there is no possibility of recovery.

The Company makes use of a simplified approach in accounting for accounts receivable and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating the provision, the Company takes account of its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assesses impairment of accounts receivable on a collective basis as they possess shared credit risk characteristics and they have been grouped based on the days past.

d) Other receivables

Other receivables consist of deposits, prepaid expenses, VAT recoverable, net, and advances to suppliers. These are carried at amounts expected to be received whether through cash or services less provision for any uncollectible amounts as per the expected credit losses model.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

e) Related party balances and transactions

The Company, in the ordinary course of business, in the ordinary course of business, enters into transactions with companies and entities that fall within the definition of a related party as contained in IFRS Accounting Standards. Related parties comprise the Parent Company, Ultimate Parent Company, Shareholders, companies and entities under common or joint ownership or common management and control, and key management personnel.

Related party balances are assessed for recoverability as per the expected credit loss model.

Amounts due from related party is classified as a current asset unless there is a formal agreement in place to defer collection for a period in excess of 12 months, in which case the amount collectible after 12 months as at the reporting date is classified as a non-current asset.

f) Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses - the ("expected credit losses") model. Instruments within the scope of requirements include financial assets measured at amortised cost. The Company considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial assets that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1");
- financial assets that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2"); and
- financial assets that have objective evidence of impairment at the reporting date ("Stage 3").

"12-month expected credit losses" are recognised for the first category while "lifetime expected credit losses" are recognised for the second category.

Measurement of expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

g) Offsetting of financial assets and liabilities

Financial assets and liabilities are offset, and the net amount is reported in the statement of financial position, if the Company has a legally enforceable right to set off the recognised amounts, and the Company either intends to settle on a net basis or realise the asset and settle the liability simultaneously.

h) Lease and right-of-use asset

The Company assesses whether a contract is or contains a lease at inception of the contract, that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognises a lease liability to make lease payments and a right-of-use asset representing the right to use the underlying asset. Lease payments for short-term leases and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset

Right-of-use asset is measured at cost, less accumulated depreciation and impairment losses, if any. The cost of right-of-use asset includes the amount of lease liability recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Depreciation of right-of-use asset is calculated on a straight-line basis to allocate the cost over the lease term as follows:

Asset	Remaining period	Period at the time IFRS 16 applied
Warehouse	9 years	15 years

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4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

h) Lease and right-of-use asset (continued)

Lease liability

The lease liability is initially measured at the present value of the lease payments to be made over the remaining lease term and that have not been paid at the commencement date, discounted by using the Company's incremental borrowing rate as the interest rate implicit in the lease is not readily determinable.

After the initial measurement date, the amount of the lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of the lease liability is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments), or a change in the assessment of an option to purchase the underlying asset.

Right-of-use asset and the lease liability are presented as separate line items in the statement of financial position. Depreciation related to the right-of-use asset and interest on the lease liability are charged to direct costs and finance costs, respectively.

Variable rents that depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the payments occur.

i) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition and bringing the asset to its working condition. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

When a part of an asset is replaced and the cost of the replacement asset is capitalised, the carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are recognised in the statement of comprehensive income during the financial year in which they are incurred.

Depreciation of assets is calculated using the straight-line method to allocate their cost less estimated residual value, if any, over the estimated useful lives as follows:

Assets	Years
Buildings and improvements	4-10
Warehouse equipment	2-10
Office furniture and equipment	4
Vehicles	4

Depreciation is charged from the date an asset is available for use up to the date the asset is either full depreciated or disposed of.

An item of property and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or following disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

The useful lives and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the pattern of economic benefits expected to flow to the Company through the use of items of property and equipment, with the effect of any changes in estimate accounted for on a prospective basis.

j) Impairment of non-financial assets

The Company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the cash-generating unit to which the asset belongs is used.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Impairment of non-financial assets (continued)

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the cash-generating unit to which the asset belongs is used.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

k) Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

l) Accounts and other payable

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether claimed by the supplier or not.

m) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

n) Employees' end-of-service benefits

Provision is made for end-of-service benefits of employees in accordance with the U.A.E. Labour Law for their periods of service up to the reporting date. The provision for the employees' end-of-service benefits is calculated annually based on their current basic remuneration.

o) Statutory reserve

As per the provisions of the Federal Law, 5% (previously 10%) of the net profit per annum of the Company is required to be transferred to a statutory reserve, until such reserve equals 50% of the paid-up share capital of the Company. Having attained this limit, transfers have ceased. This reserve is not available for distribution to the Shareholders.

p) Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events, not wholly within the control of the Company; or when the Company has a present legal or constructive obligation, that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

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4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

q) Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when it is:

- it is expected to be settled in the normal operating cycle.
- it is held primarily for the purpose of trading.
- it is due to be settled within twelve months after the reporting date, or
- there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

r) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, excluding taxes or duties.

To determine whether to recognise revenue, the Company follows a 5-step model as per IFRS 15:

i. Identifying the contract with a customer;
ii. Identifying the performance obligations;
iii. Determining the transaction price;
iv. Allocating the transaction price to the performance obligations; and
v. Recognising revenue when performance obligation(s) are satisfied.

Revenue is recognised when (or as) the Company satisfies performance obligations by transferring the promised services to its customers.

The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

The Company generates revenue through the following:

- Revenue from containers loading and unloading services, for what cargo loading and unloading income is recognised at a point in time on final execution of orders of customers and agents; and
- Revenue from renting of warehouse spaces for storing cargo until it is delivered and is recognised at a point in time.

s) Other income

Other income includes rental income from related parties for use of the Company's JAFZA facilities and interest income on amounts provided to related party and others.

Interest income is recognised using effective interest method based on the agreed terms with related party.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

t) Expenses

Direct costs include all costs directly attributable to the generation of revenue and includes wages, salaries and benefits of revenue-generating employees, depreciation of right-of-use asset and property and equipment, and other direct expenses. All other expenses are classified as general and administrative expenses or finance costs, as appropriate.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

u) Foreign currency transactions and translations

Foreign currency transactions are translated into AED using the exchange rate prevailing on the date of transaction. Monetary assets and liabilities, denominated in foreign currencies, are translated into AED using the exchange rates prevailing on the reporting date. Gains and losses from foreign exchange transactions are taken to the statement of comprehensive income.

5 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

i) Allowance for expected credit losses of financial assets

An allowance against accounts receivable is recognised as per IFRS 9 considering the pattern of receipts from, and the future financial outlook of, the concerned customers. In measuring the expected credit losses, the accounts receivable have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the credit period and the days past due. The percentage for the ECL is reviewed by the management on a regular basis.

Assessment of impairment of other receivables, due from related party, and cash at bank is made in line with IFRS 9. This assessment is reviewed by management on a regular basis. The Company deals with reputable banks to limit its credit risk with respect to cash at bank. Other receivables, and due from related party carry minimal credit risk.

ii) Useful lives and residual values of property and equipment

The Company reviews the useful lives and residual values of property and equipment on a regular basis. Any change in estimate may affect the carrying amounts of the respective items of property and equipment, with a corresponding effect on the related depreciation charge.

iii) Interest rate used for discounting the lease liability

The interest rate used for discounting the lease liability has been determined at 2% per annum. This rate is based on the Company's estimate of its incremental borrowing rate, based on the rate at which Group companies lend each other funds. The Company does not have any third party or external borrowings.

iv) Satisfaction of performance obligations under IFRS 15 - Revenue from Contracts with Customers

The Company recognises revenue at a point in time when the performance obligations are satisfied following the 5-step model as per IFRS 15.

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		2024	2023
6	CASH AND CASH EQUIVALENTS		
		AED	AED
	Cash in hand	9,554	11,459
	Cash at banks	1,118,751	502,927
		1,128,305	514,386

		2024	2023
7	ACCOUNTS RECEIVABLE		
		AED	AED
	Accounts receivable - related parties (note 9.2)	105,836	1,616,505
	Accounts receivable - non related parties	-	1,960
		105,836	1,618,465

7.1 The Company allows a credit period of 90 days, after which date the accounts receivable are considered to be past due. It is not the practice of the Company to obtain collateral over accounts receivable and therefore all accounts receivable are unsecured.

7.2 As at the reporting date, the ageing analysis of accounts receivable was as follows:

		Not past due	Past due		
	Total	0-90 days	91-120 days	121-180	>180 days
	AED	AED	AED	AED	AED
2024	105,836	104,668	620	-	548
2023	1,618,465	1,618,465	-	-	-

7.3 Allowance for ECL as per IFRS 9

The Company applies the IFRS 9 simplified model of recognising lifetime ECL for all accounts receivable as these items do not have a significant financing component.

In measuring the ECL, the accounts receivable have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

The expected loss rates are based on the payment profile for revenue over the past 24 months up to December 31, 2024 as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding.

Accounts receivable are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 90 days from the invoice date is considered indicators of no reasonable expectation of recovery.

		2024	2023
8	OTHER RECEIVABLES		
		AED	AED
	Deposits (note 8.1)	204,000	204,000
	Prepaid expenses	109,050	178,743
	Advances to suppliers	-	149,285
	VAT recoverable, net	213,245	126,154
		526,295	658,182

8.1 Deposits includes AED 170,000 (2023: AED 170,000) under lien with JAFZA for labour visa guarantees (note 20.2).

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9 RELATED PARTY BALANCES AND TRANSACTIONS

9.1 Due from related party

	Relationship	2024 AED	2023 AED
ECU Line Middle East (L.L.C), U.A.E.	Common control	10,659,635	4,136,751

The related party balances are bearing interest at a rate of 5.5% per annum with no set terms of repayment or security.

9.2 Other significant balance with related parties as at the reporting date was as follows:

	2024	2023
Accounts receivable (note 7)	105,836	1,616,505

9.3 Transactions with related parties (except funds transfers) were as follows:

	2024	2023
Revenue (note 15)	4,491,062	5,092,693
Salaries and benefits reallocation (note 18)	-	1,200,000
Warehouse handling costs (note 16)	85,929	465,311
Warehouse rental income (note 17)	224,201	152,013
Interest income on amounts due from related party (note 17)	348,247	-
Management fee (note 18)	516,041	234,240

10 RIGHT-OF-USE ASSET

	Warehouse AED
10.1 Cost	
As at January 1, 2023, December 31, 2023 and December 31, 2024	6,477,922
10.2 Accumulated depreciation	
As at January 1, 2023	1,727,445
Charge for the year (notes 10.5 and 16)	431,861
As at December 31, 2023	2,159,306
Charge for the year (notes 10.5 and 16)	431,861
As at December 31, 2024	2,591,167
10.3 Net book value	
As at December 31, 2024	3,886,755
As at December 31, 2023	4,318,616

10.4 The Company entered into a lease agreement dated January 1, 2019 with JAFZA Authority for the lease of a warehouse for a period of 15 years commencing as of January 1, 2019 and expiring on December 31, 2033.

10.5 The following amounts are recognised in the statement of comprehensive income:

	2024 AED	2023 AED
Depreciation of right-of-use asset (notes 10.2 and 16)	431,861	431,861
Interest on lease liability (notes 13.1 and 19)	86,001	94,180
	517,862	526,041

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11 PROPERTY AND EQUIPMENT

		Buildings and improvements	Warehouse equipment	Office furniture and equipment	Vehicles	Total
11.1	Cost	AED	AED	AED	AED	AED
	As at January 1, 2023	8,039,007	3,939,916	160,856	1,119,668	13,259,447
	Disposals	-	(100,000)	-	-	(100,000)
	As at December 31, 2023	8,039,007	3,839,916	160,856	1,119,668	13,159,447
	Additions	58,288	169,303	279,775	158,500	665,866
	Disposals	-	(86,800)	(49,900)	(6,250)	(142,950)
	As at December 31, 2024	8,097,295	3,922,419	390,731	1,271,918	13,682,363
11.2	Accumulated depreciation					
	As at January 1, 2023	7,794,673	3,834,916	145,385	932,475	12,707,449
	Charge for the year (note 11.4)	79,170	27,393	5,536	43,743	155,842
	Disposals	-	(100,000)	-	-	(100,000)
	As at December 31, 2023	7,873,843	3,762,309	150,921	976,218	12,763,291
	Charge for the year (note 11.4)	74,643	29,339	23,445	46,372	173,799
	Disposals	-	(86,800)	(49,900)	(6,250)	(142,950)
	As at December 31, 2024	7,948,486	3,704,848	124,466	1,016,340	12,794,140
11.3	Net book value					
	As at December 31, 2024	148,809	217,571	266,265	255,578	888,223
	As at December 31, 2023	165,164	77,607	9,935	143,450	396,156

		2024	2023
11.4	Depreciation is allocated as follows:	AED	AED
	Direct costs (note 16)	144,460	109,089
	General and administrative expenses (note 18)	29,339	46,753
		173,799	155,842

11.5 Fully-depreciated assets costing AED 12,170,962 (2022: AED 11,837,612) were still in use as at the reporting date.

12 ACCOUNTS AND OTHER PAYABLES

	2024	2023
	AED	AED
Accounts payable	195,735	152,446
Accrued expenses	610,977	323,513
	806,712	475,959

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13 LEASE LIABILITY

	2024	2023
	AED	AED
Current portion	420,740	412,429
Non-current portion	3,696,287	4,117,997
	4,117,027	4,530,426

13.1 The movement in lease liability was as follows:

	2024	2023
Balance as at the beginning of the year	4,530,426	4,935,646
Accretion of interest (notes 10.5 and 19)	86,001	94,180
Lease payments	(499,400)	(499,400)
Balance as at the end of the year	4,117,027	4,530,426

13.2 The maturity analysis of the lease liability as at the reporting date was as follows:

	Gross liability	(Deferred interest)	Net liability
2024	AED	AED	AED
Within 1 year	499,400	(78,660)	420,740
After 1 to 5 years	1,997,600	(217,769)	1,779,831
More than 5 years	1,997,600	(81,144)	1,916,456
	4,494,600	(377,573)	4,117,027

2023	499,400	(86,971)	412,429
Within 1 year	1,997,600	(263,087)	1,734,513
After 1 to 5 years	2,497,000	(113,516)	2,383,484
More than 5 years	4,994,000	(463,574)	4,530,426

13.3 The interest rate used for discounting the lease liability has been determined at 2% per annum. This rate is based on the Company's estimated incremental borrowing rate based on the rate at which Group Companies lend funds to each other, as the Company does not have any third party or external borrowings.

14 EMPLOYEES' END-OF-SERVICE BENEFITS

	2024	2023
	AED	AED
Balance at the beginning of the year	1,361,344	1,238,142
Provided for the year	251,836	259,048
Paid during the year	(238,854)	(135,846)
Balance at the end of the year	1,374,326	1,361,344

15 REVENUE

	2024	2023
At a point in time	AED	AED
Revenue from third parties	8,139,453	6,945,902
Revenue from related parties (note 9.3)	4,491,062	5,092,693
	12,630,515	12,038,595

Revenue is recognised at a point in time as the rental income is also embedded as part of main activities rendered to related parties, as and when the Company satisfies performance obligations by providing the promised services to its customers.

16 DIRECT COSTS

	2024	2023
	AED	AED
Wages, salaries and benefits	4,507,810	4,129,520
Fuel costs	491,486	535,810
Warehouse handling costs (note 9.3)	85,929	465,311
Depreciation of right-of-use asset (note 10.2)	431,861	431,861
Depreciation of property and equipment (note 11.4)	144,460	109,089
	5,661,546	5,671,591

17 OTHER INCOME

	2024	2023
	AED	AED
Interest income on amounts due from related party (note 9.3)	348,247	-
Warehouse rental income (note 9.3)	224,201	152,013
Exchange Gain Realized	6,407	-
Other Income	21,241	-
Others	-	23,702
	600,096	175,715

18 GENERAL AND ADMINISTRATIVE EXPENSES

	2024	2023
	AED	AED
Salaries and benefits (note 9.3)	-	1,200,000
Repairs and maintenance expenses	707,308	760,432
Management fees (note 9.3)	516,041	234,240
Legal, visa and professional fees	216,743	173,172
Communications and utilities	143,679	122,099
Insurance	99,380	102,349
Travelling and entertainment	56,836	56,308
Printing and stationery	46,438	43,480
Depreciation of property and equipment (note 11.4)	29,339	46,753
Rent - short term lease	6,685	18,960
Bank charges	2,024	2,636
Other expenses	36,434	296,491
	1,860,907	3,056,920

19 FINANCE COSTS

	2024	2023
	AED	AED
Interest on lease liability (notes 10.5 and 13.1)	86,001	94,180

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20 COMMITMENTS AND CONTINGENCIES

20.1 Capital and operating expenditure commitments

The Company did not have any capital or operating expenditure commitments as at the reporting date.

20.2 Contingent liabilities

	2024	2023
	AED	AED
Labour visa guarantees (note 8.1)	170,000	170,000

21 RISK MANAGEMENT

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company was not exposed to interest rate risk as it did not have any interest-bearing financial assets or financial liabilities as at the reporting date, and the lease liability and due from related party are on a fixed rate of interest.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss and is limited to the carrying values of financial assets in the statement of financial position. The Company was exposed to credit risk on the following balances:

	2024	2023
	AED	AED
Cash at banks (note 6)	1,118,751	502,927
Accounts receivable (note 7)	105,836	1,618,465
Other receivables (excluding prepaid expenses VAT recoverable, net and advances to suppliers) (note 8)	204,000	204,000
Due from related party (note 9.1)	10,659,635	4,136,751
	12,088,222	6,462,143

The Company seeks to limit its credit risk with respect to banks by dealing with reputable banks only.

Credit risks related to accounts receivable are managed subject to the Company's policies, procedures and controls. Credit limits are established for all customers based on internal rating criteria and the credit quality of customers is assessed by the management. Outstanding receivables are regularly monitored. The Company does not hold any collateral as security.

Other receivables consist of deposits that are mainly with government entities and are recoverable in full.

Due from related party carries minimal risk.

Liquidity risk

Liquidity risk is the risk that the Company may not have sufficient liquid funds to meet its liabilities as they fall due. The Company limits its liquidity risk by managing its cash flows. The Company's terms of contract require amounts to be paid within 30 days of the date of sale. Trade payables are normally settled within 90 days from the date of invoice.

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21 RISK MANAGEMENT (continued)

Liquidity risk (continued)

The table below summarises the maturities of the Company's financial liabilities:

	Less than 12 months	More than 1 year	Total
2024	AED	AED	AED
Accounts and other payables (note 12)	806,712	-	806,712
Lease liability-gross (note 13.2)	499,400	2,497,000	2,996,400
	1,306,112	2,497,000	3,803,112
2023			
Accounts and other payables (note 12)	475,959	-	475,959
Lease liability-gross (note 13.2)	499,400	4,494,600	4,994,000
	975,359	4,494,600	5,469,959

Foreign currency risk

Foreign currency risk is the risk that fair value or cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk mainly arises from future contractual transactions of receivables and payables that exist due to transactions in foreign currencies.

Most of the Company's transactions are carried out in AED and USD. Since the conversion rate of the USD is pegged to AED, no foreign currency risk is involved.

22 FAIR VALUES

The management assesses the fair value of all the Company's financial assets and liabilities at each reporting date.

The fair values of the financial assets and liabilities are considered at the amount at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The fair values of the current financial assets and current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The carrying value of the non-current financial liability (which is limited to lease liability) is not materially different from its fair value.

23 EVENTS AFTER THE REPORTING DATE

There have been no material events occurring after the reporting date that require adjustment to, or disclosure in, the financial statements.

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