

DIRECTORS
Cheree F Woolcock
Tim M Kelleher
Kevin P Adams

ECU WORLDWIDE AUSTRALIA PTY LTD

ABN 11 095 072 334

FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

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Liability Limited by a scheme approved under Professional Standards Legislation

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ECU WORLDWIDE AUSTRALIA PTY LTD
ABN 11 095 072 334

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ECU WORLDWIDE AUSTRALIA PTY LTD
ABN 11 095 072 334

DIRECTOR'S REPORT

Your directors presents their report on the company for the financial year ended 31 December 2017

Director

The names of the directors in office at any time during or since the end of the year are:

- Gavin Armstrong
- Udaya Shetty

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Review of Operations

The profit of the company for the financial year after providing for income tax amounted to \$728,856.

A review of the operations of the company during the financial year and the results of those operations are as follows:

- Revenues have increased in the 2017 period as we have diversified our business over the year. Our sales portfolio now includes full container loads of airfreight. We have also moved from being just a wholesale freight forwarder and now we have a number of retail customers where we are able to make an increased margin.

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

Principal Activities

The principal activities of the company during the financial year were:

- To import and export air/sea freight.

No significant change in the nature of these activities occurred during the financial year.

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental Regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

ECU WORLDWIDE AUSTRALIA PTY LTD
ABN 11 095 072 334

DIRECTOR'S REPORT

Dividends

Dividends paid or declared since the start of the financial year are as follows:

- a) A fully franked dividend of \$200,000 was paid on 24 March 2017.
- b) A fully franked dividend of \$50,000 was paid on 27 March 2017.
- c) A fully franked dividend of \$75,000 was paid on 20 April 2017.
- d) A fully franked dividend of \$75,000 was paid on 18 May 2017.
- e) A fully franked dividend of \$75,000 was paid on 20 June 2017.
- f) A fully franked dividend of \$75,000 was paid on 2 August 2017.
- g) A fully franked dividend of \$75,000 was paid on 17 August 2017.
- h) A fully franked dividend of \$75,000 was paid on 8 September 2017.
- i) A fully franked dividend of \$75,000 was paid on 16 October 2017.
- j) A fully franked dividend of \$75,000 was paid on 9 November 2017.
- k) A fully franked dividend of \$75,000 was paid on 11 December 2017.

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

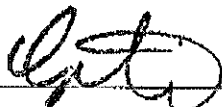
The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 5.

Signed in accordance with a resolution of the board of directors:

Director: _____



21 February 2018

ECU WORLDWIDE AUSTRALIA PTY LTD
ABN 11 095 072 334

AUDITOR'S INDEPENDENCE DECLARATION UNDER
SECTION 307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF
ECU WORLDWIDE AUSTRALIA PTY LTD

I declare that, to the best of my knowledge and belief, during the year ended 30 December 2017 there have been no contraventions of:

- i. the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

DFK BKM Audit Services
Camberwell, Victoria


Director: Timothy M. Kelleher

21 February 2018

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ECU WORLDWIDE AUSTRALIA PTY LTD
ABN 11 095 072 334

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$	2016 \$
Revenue		30,332,845	28,027,345
Consumables used		(24,567,128)	(22,573,996)
Employee benefits expense		(3,442,320)	(3,657,015)
Depreciation and amortisation expenses		(27,118)	(21,208)
Other expenses		<u>(1,250,081)</u>	<u>(1,000,096)</u>
Profit before income tax		1,046,198	775,030
Income tax expense	3	<u>(317,342)</u>	<u>(238,654)</u>
Profit for the year		<u>728,856</u>	<u>536,376</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>728,856</u></u>	<u><u>536,376</u></u>

The accompanying notes form part of these financial statements.

ECU WORLDWIDE AUSTRALIA PTY LTD
ABN 11 095 072 334

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017	2016
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	593,567	511,229
Trade and other receivables	6	3,373,438	3,224,244
TOTAL CURRENT ASSETS		3,967,005	3,735,473
NON-CURRENT ASSETS			
Property, plant and equipment	7	75,317	57,266
Deferred tax assets	8	181,437	148,679
Other non-current assets	9	31,933	31,933
TOTAL NON-CURRENT ASSETS		288,687	237,878
TOTAL ASSETS		4,255,692	3,973,351
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	1,596,711	1,908,775
Current tax liabilities	8	52,016	5,521
Provisions	11	437,298	307,761
Other	12	1,341,770	1,140,189
Borrowings	13	447,990	-
TOTAL CURRENT LIABILITIES		3,875,785	3,362,246
NON-CURRENT LIABILITIES			
Provisions	11	54,283	89,337
TOTAL NON-CURRENT LIABILITIES		54,283	89,337
TOTAL LIABILITIES		3,930,068	3,451,583
NET ASSETS		325,624	521,768
EQUITY			
Issued capital	14	100,000	100,000
Retained earnings		225,624	421,768
TOTAL EQUITY		325,624	521,768

The accompanying notes form part of these financial statements.

ECU WORLDWIDE AUSTRALIA PTY LTD
ABN 11 095 072 334

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Share Capital Ordinary Shares \$	Retained Earnings \$	Total \$
Balance at 1 January 2016		100,000	685,392	785,392
Comprehensive income				
Profit for the year		-	536,376	536,376
Total comprehensive income for the year attributable to the members of the company		-	536,376	536,376
Transactions with the owners, in capacity as owners and other transfers				
Dividends paid or provided for	4	-	(800,000)	(800,000)
Total transactions with the owners and other transfers		-	(800,000)	(800,000)
Balance at 31 December 2016		100,000	421,768	521,768
Balance at 1 January 2017		100,000	421,768	521,768
Comprehensive income				
Profit for the year		-	728,856	728,856
Total comprehensive income for the year attributable to the members of the company		-	728,856	728,856
Transactions with the owners, in capacity as owners and other transfers				
Dividends paid or provided for	4	-	(925,000)	(925,000)
Total transactions with the owners and other transfers		-	(925,000)	(925,000)
Balance as 31 December 2017		100,000	225,624	325,624

The accompanying notes form part of these financial statements.

ECU WORLDWIDE AUSTRALIA PTY LTD
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017	2016
			\$
Cash flows from operating activities			
Receipts from customers		29,988,931	27,880,838
Payments to suppliers and employees		(29,067,801)	(26,903,380)
Interest received		135	2,661
Net income tax paid		(316,748)	(309,238)
Net cash provided by operating activities	16(b)	604,517	670,881
Cash flows from investing activities			
Purchase of property, plant and equipment		(45,169)	(27,224)
Net cash used in investing activities		(45,169)	(27,224)
Cash flows from financing activities			
Payment of dividends		(925,000)	(800,000)
Proceeds from borrowings			-
Net cash used in financing activities		(925,000)	(800,000)
Net increase (decrease) in cash held		(365,652)	(156,343)
Cash and cash equivalents at beginning of financial year		511,229	667,572
Cash and cash equivalents at end of financial year	16(a)	145,577	511,229

The accompanying notes form part of these financial statements.

ECU WORLDWIDE AUSTRALIA PTY LTD
ABN 11 095 072 334

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Ecu Worldwide Australia Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

Basis of Preparation

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Corporations Act 2001.

The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of the members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

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. All other repairs and maintenance are recognised as expenses in the statement of profit or loss in the financial period in which they are incurred.

ECU WORLDWIDE AUSTRALIA PTY LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

(b) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the nominal amounts expected to be paid when the liability is settled, plus any related on-costs. Both annual leave and long service leave are recognised within the provisions liability.

(c) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(d) Revenue and Other Income

The trigger point for recognising revenues and related costs is when the respective shipping documents have been received and the vessel exchange rate has been obtained. This is the point that the costs have been incurred and both the costs and revenue can be reliably measured. This generally occurs 5 to 10 days before vessel arrives.

Therefore, invoices are raised within 5 to 10 days before vessel arrives and upon receipt of shipping documents and vessel exchange rate.

Costs are entered in when invoicing done. Charges expected from the landing of shipping and unpacking and other charges included in the terms and conditions of the shipping documentation are accrued for based on the foreign exchange rate utilised by shipping company and standard fees. A currency uplift factor is used for each job that is translated to AUD being:

- 3.0% for co-loading; and
- 7.0% for retail.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax.

ECU WORLDWIDE AUSTRALIA PTY LTD
ABN 11 095 072 334

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

(f) Income tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflect movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(h) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

In accordance with Group Reporting Policies, when local receivables are older than 90 days and all other receivables are older than 120 days, they are treated as doubtful debts.

(i) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

ECU WORLDWIDE AUSTRALIA PTY LTD
ABN 11 095 072 334

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

(j) New Accounting Standards for application in future periods

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods. The company does not anticipate early adopting of any of the reporting requirements and does not expect them to have a material effect on its financial statements.

ECU WORLDWIDE AUSTRALIA PTY LTD
ABN 11 095 072 334

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
2. Expenses:		
Remuneration of Auditor:		
Auditing or reviewing the financial report	17,000	18,000
Cost of Sales	24,567,128	22,573,996
3. INCOME TAX EXPENSE		
Income tax expense	317,342	238,654
4. DIVIDENDS		
Distributions paid		
Declared interim and final dividends:		
Fully franked	925,000	800,000
Total dividend per share for the period	9.25	8.00
5. CASH AND CASH EQUIVALENTS		
Cash on hand	600	600
Cash at bank	592,967	332,365
USD account	-	178,264
	593,567	511,229
6. TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade receivables	3,583,234	3,224,244
Less provision for doubtful debts	(209,796)	-
	3,373,438	3,224,244
7. PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment	392,303	362,070
Less accumulated depreciation	(359,373)	(338,802)
	32,930	23,268
Furniture and fittings	98,043	83,107
Less accumulated depreciation	(55,656)	(49,109)
	42,387	33,998
Total property, plant and equipment	75,317	57,266

ECU WORLDWIDE AUSTRALIA PTY LTD
ABN 11 095 072 334

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
8. TAX		
(a) Liabilities		
CURRENT		
Provision for income tax	52,016	5,521
(b) Assets		
NON-CURRENT		
Deferred tax assets	181,437	148,679
Deferred Tax Assets		
Opening balance	148,679	148,270
Charged to income	32,758	409
Closing balance	181,437	148,679
Balance at year end	181,437	148,679
9. OTHER ASSETS		
NON-CURRENT		
Other non-current assets (Rental bonds)	31,933	31,933
10. TRADE AND OTHER PAYABLES		
CURRENT		
Goods and services tax	49,091	57,648
Trade creditors	1,547,620	1,851,127
	1,596,711	1,908,775
11. PROVISIONS		
CURRENT		
Provision for annual leave	226,765	178,680
Provision for long service leave	210,533	129,081
	437,298	307,761
NON-CURRENT		
Provision for long service leave	54,283	89,337
12. OTHER LIABILITIES		
CURRENT		
Accrued expenses	38,000	98,500
Accrued - WIP	1,303,770	1,041,689
	1,341,770	1,140,189

ECU WORLDWIDE AUSTRALIA PTY LTD
ABN 11 095 072 334

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
13. BORROWINGS		
USD account	447,990	-
14. ISSUED CAPITAL		
100,000 (2016: 100,000 fully paid ordinary shares)	100,000	100,000
15. OPERATING SEGMENTS		
The company operates predominantly in one business and geographical segment.		
16. CASH FLOW INFORMATION		
(a) Reconciliation of Cash		
Cash at the end of financial year as included in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash	600	600
Cash at Bank	592,967	332,365
USD Account	(447,990)	178,264
	<u>145,577</u>	<u>511,229</u>
(b) Reconciliation of cash flow operations with profit after income tax		
Profit after income tax	728,856	536,376
Non-cash flows in profit:		
Depreciation and amortisation expense	27,118	21,209
Changes in assets and liabilities:		
Decrease/(Increase) in trade and other receivables	(149,194)	(58,239)
Decrease/(Increase) in deferred tax assets	(32,758)	(409)
Increase/(Decrease) in trade and other payables	(110,483)	282,765
Increase/(Decrease) in current tax liabilities	46,495	(70,683)
Increase/(Decrease) in provisions	94,483	(40,138)
Net cash provided by operating activities	<u>604,517</u>	<u>670,881</u>
(c) Credit Stand-by Arrangement and Loan Facilities		
The company has an asset finance-leasing facility amounting to \$100,000 (2016: \$100,000). At 31 December 2017, \$Nil of this facility was used.		

ECU WORLDWIDE AUSTRALIA PTY LTD
ABN 11 095 072 334

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

17. COMPANY DETAILS

The registered office of the company is:

ECU Worldwide Australia Pty Ltd
C/- GFM Accountants Australia Pty Ltd
PO Box 846
NIDDRIE, VIC, 3042

The principal place of business is:

ECU Worldwide Australia Pty Ltd
Suite 2
35-37 Tullamarine Park Road
TULLAMARINE, VIC, 3043

ECU WORLDWIDE AUSTRALIA PTY LTD
ABN 11 095 072 334

DIRECTOR'S DECLARATION

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In accordance with a resolution of the directors of Ecu Worldwide Australia Pty Ltd, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 17 are in accordance with the Corporations Act 2001 and:
 - a. comply with Australian Accounting Standards; and
 - b. give a true and fair view of the company's financial position as at 31 December 2017 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director _____



21 February 2018

ECU WORLDWIDE AUSTRALIA PTY LTD
ABN 11 095 072 334

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ECU WORLDWIDE AUSTRALIA PTY LTD**

Opinion

We have audited the financial report of Ecu Worldwide Australia Pty Ltd (the company), which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, 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, and the directors' declaration.

In our opinion, the accompanying financial report of Ecu Worldwide Australia Pty Ltd is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the company's financial position as at 31 December 2017 and of its performance for the year then ended; and
- complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

We make it happen!

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

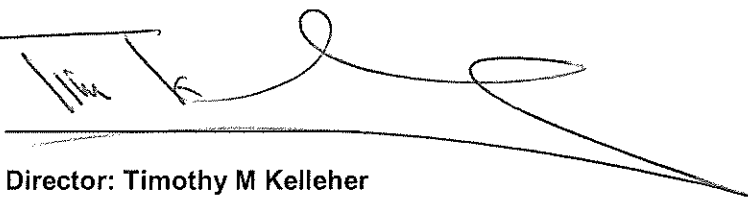
In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

DFK BKM Audit Services
Camberwell, Victoria



Director: Timothy M Kelleher

2 / February 2018