NJC ASSOCIATES
Accountants & business adviser

ECU WORLDWIDE (MAURITIUS) LTD

Financial statements

31 December 2016

ECU WORLDWIDE (MAURITIUS) LTD

Financial statements
For the year ended 31 December 2016

Contents

ECU WORLDWIDE (MAURITIUS) LTD

Secretary's Certificate
for the year ended 31 December 2016

To the Members of ECU WORLDWIDE (MAURITIUS) LTD

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

Appavoo Corporate Services Ltd
Company Secretary

Date: 0 2 MAY 2017

Appavoo Corporate Services Ltd
The Common Seal of

ECU WORLDWIDE (MAURITIUS) LTD

Directors' report

The directors are pleased to present the audited financial statements of ECU WORLDWIDE (MAURITIUS) LTD (the "Company") for the year ended 31 December 2016.

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

Change of name

The Company changed its name from Ecu-Line (Mauritius) Limited to ECU WORLDWIDE (MAURITIUS) LTD with effect from 1st July 2016, via a shareholder's resolution dated 18 May 2016.

Results and dividend
The results for the year are shown on page 6.

A dividend of Rs 299,910 was declared and paid during the year under review relating for the financial year 2015 (2015: Rs 750,000 relating to the financial year 2014).

Directors
The following officers held office as directors of the Company as at 31 December 2016:

- Mr. Jean Jacques Philip Cnops (resigned on 10 March 2016)
- Mr. Saleem Mohamed Nazir Mohamedhusein
- Mrs. Hawanty Teeluck

Statement of Directors' responsibilities in respect of the financial statements
Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company and the Company.

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

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

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Mauritius Companies Act. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, NJC ASSOCIATES, have indicated their willingness to continue in office and will be automatically re-appointed at the next annual meeting.

By order of the Board

....
Director

Date: 0 2 MAY 2017

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

Report on the Financial Statements

We have audited the financial statements of **ECU WORLDWIDE (MAURITIUS) LTD** (the "Company") on pages 6 to 37 which comprise the statement of financial position as at 31 December 2016 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2016 and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements on pages 6 to 30 give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of its operations and cash flows for the year ended 31 December 2016 in accordance with International Financial Reporting Standards and in compliance with the Mauritius Companies Act 2001.

Basis for Opinion

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

Other Information

The directors are responsible for the other information. The other information comprises the commentary of the directors and certificate from the secretary.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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

Directors Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as the owners determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Report on the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Succession's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Succession's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Succession 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 the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

NJC ASSOCIATES
Accountants & business adviser

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

Report on the Financial Statements (continued)

Other Matter

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

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

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

We have obtained all information and explanations we have required.

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

NJC Associates

NJC ASSOCIATES
05th Floor, Orbis Court
St Jean Road, Quatre Bornes
Mauritius

Neeshal Jingree ~~FCCA~~ ACA
Licensed by FRC

Date: 02 MAY 2017

ECU WORLDWIDE (MAURITIUS) LTD

Statement of profit or loss and other comprehensive income
for the year ended 31 December 2016

	Note	2016 Rs	2015 Rs
Revenue	5	**21,372,874**	23,360,409
Cost of sales		**(14,912,818)**	(15,872,498)
Gross profit		**6,460,056**	7,487,911
Administrative expenses		**(5,961,020)**	(6,676,448)
Profit from operations		**499,036**	811,463
Net finance costs	6	**(357,784)**	(257,620)
Profit before taxation		**141,252**	553,843
Taxation	8	**(55,509)**	(108,882)
Profit for the year		**85,743**	444,961
Other comprehensive income		-	-
Total comprehensive income for the year		**85,743**	444,961

The notes on pages 10 to 37 form part of these financial statements.

ECU WORLDWIDE (MAURITIUS) LTD

Statement of financial position
As at 31 December 2016

	Note	2016 Rs	2015 Rs
ASSETS			
Non-current assets			
Plant and equipment	9	**47,645**	183,686
Deferred tax assets	10	**155,014**	141,817
Total non-current assets		**202,659**	325,503
Current assets			
Trade and other receivables	11	**2,088,646**	2,269,779
Cash and cash equivalents	12	**1,278,579**	883,113
Current tax assets	8	**15,412**	30,398
Total current assets		**3,382,637**	3,183,290
Total assets		**3,585,296**	3,508,793
EQUITY AND LIABILITIES			
Equity			
Share capital	13	**675,000**	675,000
Retained earnings		**1,039,953**	1,254,120
Total equity		**1,714,953**	1,929,120
Non-current liabilities			
Retirement benefit obligations	14	**899,066**	833,441
Current liabilities			
Trade and other payables	15	**971,277**	746,232
Total liabilities		**1,870,343**	1,579,673
Total equity and liabilities		**3,585,296**	3,508,793

Approved by the Board on 0 2 MAY 2017

Mrs. Hawanty TEELUCK
Director

Mr. Saleem Mohamed Nazir MOHAMEDHUSEIN
Director

The notes on pages 10 to 37 form part of these financial statements.

ECU WORLDWIDE (MAURITIUS) LTD

Statement of changes in equity
for the year ended 31 December 2016

	Share capital	Retained earnings	Total
	Rs	Rs	Rs
At 01 January 2015	675,000	1,559,159	2,234,159
Total comprehensive income for the year			
Profit for the year	-	444,961	444,961
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	444,961	444,961
Transactions with owners of the Company, recognized directly in equity			
Contributions by and distributions to owners of the Company			
Dividends to owners of the Company	-	(750,000)	(750,000)
Total contributions by and distributions to owners of the Company	-	(750,000)	(750,000)
Balance at 31 December 2015	675,000	1,254,120	1,929,120
Total comprehensive income for the year			
Profit for the year	-	85,743	85,743
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	85,743	85,743
Transactions with owners of the Company, recognized directly in equity			
Contributions by and distributions to owners of the Company			
Dividends to owners of the Company	-	(299,910)	(299,910)
Total contributions by and distributions to owners of the Company	-	(299,910)	(299,910)
Balance at 31 December 2016	**675,000**	**1,039,953**	**1,714,953**

The notes on pages 10 to 37 form part of these financial statements.

ECU WORLDWIDE (MAURITIUS) LTD

Statement of cash flows
for the year ended 31 December 2016

	2016 Rs	2015 Rs
Cash flows from operating activities		
Profit before taxation	**85,743**	553,844
Adjustments for:		
Depreciation	**159,009**	165,618
Movement in retirement benefit obligations	**65,625**	64,552
	310,377	784,014
Change in trade and other receivables	**181,133**	1,373,456
Change in trade and other payables	**297,930**	(1,117,713)
Cash used from operations	**789,440**	1,039,757
Income tax paid	**(71,096)**	(181,638)
Net cash from operating activities	**718,344**	858,119
Cash flows from investing activities		
Acquisition of plant and equipment	**(22,968)**	(61,472)
Net cash used in investing activities	**(22,968)**	(61,472)
Cash flows from financing activities		
Dividend paid	**(299,910)**	(750,000)
Net cash used in financing activities	**(299,910)**	(750,000)
Net change in cash and cash equivalents	**395,466**	46,647
Cash and cash equivalents at 1 January	**883,113**	836,466
Cash and cash equivalents at 31 December (note 12)	**1,278,579**	883,113

The notes on pages 10 to 37 form part of these financial statements.

1. General information

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

2. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgement

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

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

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

- Note 8 – Income tax expense
- Note 9 – Plant and equipment
- Note 14 – Retirement benefits obligation

Determination of functional currency

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

2. Basis of preparation (continued)

(d) *Use of estimates and judgements (continued)*

Measurement of fair values

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

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

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

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

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

3. Significant accounting policies

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

(a) *Revenue*

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

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

3. **Significant accounting policies (Continued)**

(a) Revenue (continued)

- *Container Shipping*

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

- *Other activities*

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

(b) Finance income and finance expense

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

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

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

(c) Income tax expense

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

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

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

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

3. **Significant accounting policies (Continued)**

(d) Foreign currency

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

(e) Financial instruments

(i) Non-derivative financial assets

Financial assets are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control over the transferred assets.

Trade and other receivables

Trade and other receivables are amounts due from customers for services provided in the ordinary course of business. Trade and other receivables are recognised initially at fair value less provision for impairment and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognizes in the statement of comprehensive income.

Cash and cash equivalents

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

3. **Significant accounting policies (Continued)**

(e) *Financial instruments*

(ii) *Non-derivative financial liabilities*

Financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: trade and other payables which have been classified as financial liabilities at amortised cost

Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Share capital

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

(f) *Plant and equipment*

(i) *Recognition and measurement*

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

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

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

3. **Significant accounting policies (Continued)**

(f) Plant and equipment (continued)

(ii) Subsequent costs

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

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

(iii) Depreciation

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

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

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

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

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

3. **Significant accounting policies (Continued)**

(g) *Impairment*

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Impairment in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis.

All impairment is recognised in the statement of comprehensive income. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to the statement of comprehensive income.

An impairment is reversed if the reversal can be related objectively to an event occurring after the impairment was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised directly in statement of comprehensive income. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

(h) *Comparatives*

Certain comparatives information has been reclassified, as necessary, to conform to the current year's presentation.

(i) *Retirement benefits obligation*

Severance allowance on retirement

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

State plan

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

(j) *Provisions*

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

3. Significant accounting policies (Continued)

(k) Related parties

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

(l) Leases

Operating leases

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

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

(m) Dividend distributions

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

ECU WORLDWIDE (MAURITIUS) LTD

Notes to and forming part of the financial statements
for the year ended 31 December 2016

3. **Significant accounting policies (Continued)**

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

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2016.

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

Standard	**Details of amendment**
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements to IFRSs 2012 – 2014 Cycle)	The amendment clarifies that the reclassification of an asset or disposal group from being held for sale to being held for distribution to owners, or vice versa is considered to be a continuation of the original plan of disposal. Upon reclassification, the classification, presentation and measurement requirements of IFRS 5 are applied. If an asset ceases to be classified as held for distribution to owners, the requirements of IFRS 5 for assets that cease to be classified as held for sale apply The application of these amendments has had no material impact on the disclosures in the Company's financial statements.
IFRS 10 Consolidated Financial Statements (Amendments – Sale or Contribution of Assets)	The amendments clarify the accounting for transactions where a parent loses control of a subsidiary, that does not constitute a business as defined in IFRS 3 Business Combinations, by selling all or part of its interest in that subsidiary to an associate or a joint venture that is accounted for using the equity method. In the case of any retained interest in the former subsidiary, gains and losses from the remeasurement are treated as follows: – The retained interest is accounted for as an associate or joint venture using the equity method: The parent recognises the gain or loss in profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The remainder is eliminated against the carrying amount of the investment in the associate or joint venture – The retained interest is accounted for at fair value in accordance with IFRS 9 Financial Instruments: The parent recognises the gain or loss in full in profit or loss. The application of these amendments has had no material impact on the disclosures in the Company's financial statements.

3. **Significant accounting policies (continued)**

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

Standard	Details of amendment
IFRS 7 Financial Instruments: Disclosures (Annual Improvements to IFRSs 2012 – 2014 Cycle)	*Servicing contracts* The IASB clarified the circumstances in which an entity has continuing involvement from the servicing of a transferred asset. Continuing involvement exists if the servicer has a future interest in the performance of the transferred financial asset. Examples of situations where continuing involvement exists are where a transferor's servicing fee is: – A variable fee which is dependent on the amount of the transferred asset that is ultimately recovered; or – A fixed fee that may not be paid in full because of non-performance of the transferred financial asset. The amendment is required to be applied retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. However, the amendment need not to be applied for any period beginning before the annual period in which the entity first applies the amendments. A consequential amendment has been made to IFRS 1 First-time Adoption of International Financial Reporting Standards, in order that the same transitional provision applies to first time adopters. *Applicability of the offsetting amendments in condensed interim financial statements* A further amendment to IFRS 7 has clarified that the application of the amendment Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7) issued in December 2011 is not explicitly required for all interim periods. However, it is noted that in some cases these disclosures may need to be included in condensed interim financial statements in order to comply with IAS 34. The application of these amendments has had no material impact on the disclosures in the Company's financial statements.
IFRS 11 Joint Arrangements (Amendments – Acquisitions of Interests in Joint Operations)	The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business which specify the appropriate accounting treatment for such acquisitions. It requires an entity to apply all of the principles of IFRS 3 Business Combinations when it acquires an interest in a joint operation that constitutes a business as defined by IFRS 3. This includes: • measuring identifiable assets and liabilities at fair value • expensing acquisition-related costs • recognising deferred tax, and • recognising the residual as goodwill, and testing this for impairment annually. Existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained. The amendments also apply when a joint operation is formed and an existing business is contributed. The application of these amendments has had no material impact on the disclosures in the Company's financial statements.

3. **Significant accounting policies (continued)**

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

Standard	Details of amendment
IFRS 14 Regulatory Deferral Accounts	IFRS 14 permits first-time adopters to continue to recognise amounts related to its rate regulated activities in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that apply IFRS and do not recognise such amounts, the Standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents IFRS financial statements is not eligible to apply the Standard. The application of these amendments has had no material impact on the disclosures in the Company's financial statements.
IAS 16 Property, Plant and Equipment (Amendments – Acceptable Methods of Depreciation)	• Amendments to IAS 16 and IAS 38 clarify the basis for the calculation of depreciation and amortisation, as being the expected pattern of consumption of the future economic benefits of an asset. • Amendment to both IAS 16 and IAS 38 establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. Clarifying that revenue is generally presumed to be an inappropriate basis for measuring the consumption of economic benefits in such assets. • Amendments to IAS 16 and IAS 41 define bearer plants and includes bearer plants in the scope of IAS 16 Property, plant and equipment, rather than IAS 41 allowing such assets to be accounted for after initial recognition in accordance with IAS 16. The application of these amendments has had no material impact on the disclosures in the Company's financial statements.
IAS 19 Employee Benefits (Annual Improvements to IFRSs 2012 – 2014 Cycle)	The guidance in IAS 19 has been clarified and requires that high quality corporate bonds used to determine the discount rate for the accounting of employee benefits need to be denominated in the same currency as the related benefits that will be paid to the employee. Entities are required to apply the amendment from the earliest comparative period presented in the financial statements, with initial adjustments being recognised in retained earnings at the beginning of that period. The application of these amendments has had no material impact on the disclosures in the Company's financial statements.

3. **Significant accounting policies (continued)**

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

Standard	Details of amendment
IAS 27 Separate Financial Statements (Amendments – Equity Method in Separate Financial Statements)	Amendments to IAS 27 allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The application of these amendments has had no material impact on the disclosures in the Company's financial statements.
IAS 34 Interim Financial Reporting (Annual Improvements to IFRSs 2012 – 2014 Cycle)	The requirements of paragraph 16A of IAS 34 require additional disclosures to be presented either in the: – Notes to the interim financial statements or – Elsewhere in the interim financial report. The amendment clarifies, that a cross-reference is required, if the disclosures are presented 'elsewhere' in the interim financial report, such as in the management commentary or the risk report of an entity. However, to comply with para 16A of IAS 34, if the disclosures are contained in a separate document from the interim report, that document needs to be available to users of the financial statements on the same terms and at the same time as the interim report itself. The application of these amendments has had no material impact on the disclosures in the Company's financial statements.
IAS 38 Intangible Assets (Amendments – Acceptable Methods of Amortisation)	• Amendments to IAS 16 and IAS 38 clarify the basis for the calculation of depreciation and amortisation, as being the expected pattern of consumption of the future economic benefits of an asset. • Amendment to both IAS 16 and IAS 38 establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. Clarifying that revenue is generally presumed to be an inappropriate basis for measuring the consumption of economic benefits in such assets. The application of these amendments has had no material impact on the disclosures in the Company's financial statements.
IAS 41 Agriculture (Amendments – Bearer Plants)	Amendments to IAS 16 and IAS 41 define bearer plants and includes bearer plants in the scope of IAS 16 Property, plant and Equipment, rather than IAS 41 allowing such assets to be accounted for after initial recognition in accordance with IAS 16. The application of these amendments has had no material impact on the disclosures in the Company's financial statements.

3. **Significant accounting policies (continued)**

(o) New standards, amendments and interpretations issued but not effective as at 31 December 2016 and not adopted in advance of the effective date

Standard	Details of amendment	Annual periods beginning on or after
IFRS 9 Financial Instruments	• A finalised version of IFRS 9 has been issued which replaces IAS 39 Financial Instruments:Recognition and Measurement. The completed standard comprises guidance on Classification and Measurement, Impairment HedgeAccounting and Derecognition: • IFRS 9 introduces a new approach to the classification of financial assets,which is driven by the business model in which the asset is held and their cash flow characteristics. A new business model was introduced which does allow certain financial assets to be categorised as "fair value through other comprehensive income" in certain circumstances. The requirements for financial liabilities are mostly carried forward unchanged from IAS 39. However, some changes were made to the fair value option for financial liabilities to address the issue of own credit risk. • The new model introduces a single impairment model being applied to all financial instruments, as well as an "expected credit loss" model for the measurement of financial assets. • IFRS 9 contains a new model for hedge accounting that aligns the accounting treatment with the risk management activities of an entity, in addition enhanced disclosures will provide better information about risk management and the effect of hedge accounting on the financial statements. • IFRS 9 carries forward the derecognition requirements of financial assets and liabilities from IAS 39.	1 January 2018 *IFRS 9 (2014) supersedes any previous versions of IFRS 9, but earlier versions of IFRS 9 remain available for application if the relevant date of application is before 1 February 2015*

3. **Significant accounting policies (continued)**

(o) New standards, amendments and interpretations issued but not effective as at 31 December 2016 and not adopted in advance of the effective date (continued)

Standard	Details of amendment	Annual periods beginning on or after
IFRS 15 Revenue from contracts with customers	• New standard that requires entities to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is achieved through a five step methodology that is required to be applied to all contracts with customers. • The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements. • The new standard supersedes: (a) IAS 11 Construction Contracts; (b) IAS 18 Revenue; (c) IFRIC 13 Customer Loyalty Programmes; (d) IFRIC 15 Agreements for the Construction of Real Estate; (e) IFRIC 18 Transfers of Assets from Customers; and (f) SIC-31 Revenue—Barter Transactions Involving Advertising Services.	01 January 2017
Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12	Amendments made to IAS 12 in January 2016 clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that: • A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period. • An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit. • Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type. • Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets.	1 January 2017

3. Significant accounting policies (continued)

(o) New standards, amendments and interpretations issued but not effective as at 31 December 2016 and not adopted in advance of the effective date

Standard	Details of amendment	Annual periods beginning on or after
IFRS 16 Leases	IFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. The income statement will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change. Operating cash flows will be higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest can continue to be presented as operating cash flows. The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.	01 January 2019 Early adoption is permitted only if IFRS 15 is adopted at the same time.
Disclosure Initiative – Amendments to IAS 7	Going forward, entities will be required to explain changes in their liabilities arising from financing activities. This includes changes arising from cash flows (eg drawdowns and repayments of borrowings) and non-cash changes such as acquisitions, disposals, accretion of interest and unrealised exchange differences. Changes in financial assets must be included in this disclosure if the cash flows were, or will be, included in cash flows from financing activities. This could be the case, for example, for assets that hedge liabilities arising from financing liabilities. Entities may include changes in other items as part of this disclosure, for example by providing a 'net debt' reconciliation. However, in this case the changes in the other items must be disclosed separately from the changes in liabilities arising from financing activities. The information may be disclosed in tabular format as a reconciliation from opening and closing balances, but a specific format is not mandated.	1 January 2017

4. **Financial risk management**

Overview

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

- credit risk
- liquidity risk
- market risk

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

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

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

Credit risk

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

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

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

Cash and cash equivalents

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

4. **Financial risk management (continued)**

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

Credit risk (continued)

	Carrying Amount	
	2016	2015
	Rs	Rs
Cash and cash equivalents	**1,278,579**	883,113
Trade and other receivables	**1,927,285**	2,093,785

The ageing of trade receivables at the reporting date was:

	Gross 2016	**Impairment 2016**	**Net 2016**	Gross 2015	Impairment 2015	Net 2015
	Rs	**Rs**	**Rs**	Rs	Rs	Rs
Past due 0-30 days	**1,061,460**	**-**	**1,061,460**	1,291,891	-	1,291,891
Past due 31-60 days	**318,640**	**-**	**318,640**	312,257	-	312,257
Past due 61-120 days	**465,772**	**-**	**465,772**	489,637	-	489,637
More than 120 days	**172,889**	**(91,476)**	**81,413**	767,484	(767,484)	-
	2,018,761	**(91,476)**	**1,927,285**	2,861,269	(767,484)	2,093,785

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring 8unacceptable losses or risking damage to the Company's reputation.

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

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

4. **Financial risk management (continued)**

Liquidity risk (continued)

At 31 December 2016

Non derivative financial liabilities	**Carrying amount Rs**	**Contractual cash flows Rs**	**Less than one year Rs**	**2 – 5 years Rs**	**More than 5 years Rs**
Trade and other payables	958,255	958,255	958,255	-	-

At 31 December 2015

Non derivative financial liabilities	Carrying amount Rs	Contractual cash flows Rs	Less than one year Rs	2 – 5 years Rs	More than 5 years Rs
Trade and other payables	720,427	720,427	720,427	-	-

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

Market risk

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

Currency risk

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

	Financial Assets 2016 Rs	**Financial liabilities 2016 Rs**	Financial Assets 2015 Rs	Financial liabilities 2015 Rs
Mauritian Rupee	**2,519,744**	**275,676**	2,551,070	307,779
USD	**686,120**	**682,579**	425,828	359,883
EUR	-	-	-	52,765
	3,205,864	**958,255**	2,976,898	720,427

4. Financial risk management (continued)

Market risk (continued)

Sensitivity analysis

At 31 December 2016, if exchange rate has strengthened by 5% against the following currencies the result would be as shown below. The analysis assumes that all other variables, in particular interest rates, remain constant

	Increase/(decrease) in foreign exchange rates	**Increase/(decrease) in profit after tax**	Increase/(decrease) in foreign exchange rates	Increase/(decrease) In profit after tax
	2016	**2016**	2015	2015
	Rs	**Rs**	Rs	Rs
USD	+5%	150	+5%	2,803
	-5%	(150)	-5%	(2,803)
EUR	-	-	+5%	2,242
	-	-	-5%	(2,242)

Price risk

The Company is not exposed to equity price risk.

Interest rate risk

The majority of the Company's financial assets and liabilities are non-interest bearing, with the exception of cash and cash equivalents, and as a result the Company is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was as follows:

	2016	2015
	Rs	Rs
Variable rate instruments		
Financial assets	**1,278,579**	883,113

4. **Financial risk management (continued)**

Fair values

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

	Carrying values 2016 Rs	**Fair values 2016 Rs**	Carrying values 2015 Rs	Fair values 2015 Rs
Trade and other receivables	**1,927,285**	**1,927,285**	2,093,785	2,093,785
Cash and cash equivalents	**1,278,579**	**1,278,579**	883,113	883,113
Trade and other payables	**(958,255)**	**(958,255)**	(720,427)	(720,427)

Financial instrument by category

31 December 2016

	Loans and receivables Rs	**Total Rs**
Financial assets		
Trade and other receivables	**1,927,285**	**1,927,285**
Cash and cash equivalents	**1,278,579**	**1,278,579**
	3,205,864	**3,205,864**

	Other financial liabilities at amortised cost Rs	**Total Rs**
Financial liabilities		
Trade and other payables	**958,255**	**958,255**
	958,255	**958,255**

4. **Financial risk management (continued)**

Financial instrument by category (continued)

31 December 2015

	Loans and receivables Rs	Total Rs
Financial assets		
Trade and other receivables	2,093,785	2,093,785
Cash and cash equivalents	883,113	883,113
	2,976,898	2,976,898

	Other financial liabilities at amortised cost Rs	Total Rs
Financial liabilities		
Trade and other payables	720,427	720,427
	720,427	720,427

Capital risk management

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

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

	2016 Rs	2015 Rs
Total debts	**1,870,343**	1,579,673
Less: cash and cash equivalents	**(1,278,579)**	(883,113)
Net debt	**591,764**	696,560
Total equity	**1,714,953**	1,929,120
Net debt to equity ratio	**0.345**	0.361

4. Financial risk management (continued)

Capital risk management (continued)

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

5. Revenue

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

6. Personnel expenses

	2016 Rs	2015 Rs
Wages and salaries	**2,981,082**	**3,017,872**
The number of persons employed at the end of the year was :	**8**	**8**

7. Net finance costs

	2016 Rs	2015 Rs
Finance income		
Exchange gain	**12,559**	**20,827**
Finance expense		
Exchange loss	**(370,343)**	**(278,447)**
Net finance costs	**(357,784)**	**(257,620)**

8. Taxation

	2016 Rs	2015 Rs
Income tax expense		
Current tax	**55,684**	97,662
Deferred tax movement for the year (note 10)	**(13,197)**	(14,585)
Corporate Social Responsibility	**13,022**	25,805
Tax charge in the statement of profit or loss	**55,509**	108,882
Reconciliation of effective taxation		
Profit before taxation	**141,242**	553,844
Income tax at 15%	**21,288**	83,077
Non-deductible expenses	**51,549**	34,526
Corporate Social Responsibility	**13,022**	25,805
Annual allowance	**(17,053)**	(19,941)
Deferred tax movements	**(13,197)**	(14,585)
Tax charge	**55,509**	108,882
Current tax assets		
At 01 January	**(30,398)**	53,578
Refund received during the year	**30,398**	-
Current tax expense	**55,684**	97,662
Paid during the year	**(71,096)**	(181,638)
At 31 December	**(15,412)**	(30,398)

9. Plant and equipment

	Computers & electronic equipments	Furniture & fittings	Motor vehicles	Office equipments	Total
	Rs	Rs	Rs	Rs	Rs
Cost					
At 01 January 2016	326,498	97,146	1,365,379	59,840	1,848,863
Additions/ (Disposals)	22,968	-	(55,140)	-	(32,172)
At 31 December 2016	**349,466**	**97,146**	**1,310,239**	**59,840**	**1,816,691**
Depreciation					
At 01 January 2016	279,698	79,154	1,247,301	59,024	1,665,177
Disposals	-	-	(55,140)	-	(55,140)
Charge for the year	30,058	10,784	118,078	89	159,009
At 31 December 2016	**309,756**	**89,938**	**1,310,239**	**59,113**	**1,769,046**
Net book value					
At 31 December 2016	**39,710**	**7,208**	-	**727**	**47,645**
At 31 December 2015	46,800	17,992	118,078	816	183,686

10. Deferred tax assets

	2016	2015
	Rs	Rs
At 01 Jan	**(141,817)**	(127,233)
Movement during the year recognized in the statement of profit or loss (note 8)	**(12,174)**	(14,585)
At 31 December	**(153,991)**	(141,817)
Deferred tax assets are attributable to:		
Accelerated capital allowances on plant and equipment	**(20,154)**	(16,801)
Retirements benefits obligation	**(133,837)**	(125,016)
	(153,991)	(141,817)

11. Trade and other receivables

	2016 Rs	2015 Rs
Trade receivables	**991,789**	2,496,690
Trade receivables from related parties (note 16)	**809,543**	223,465
Other receivables	**217,429**	141,114
Allowance for doubtful debts	**(91,476)**	-
Bad debts written off	-	(767,484)
	1,927,285	2,093,785
Prepayments and deposits	**161,361**	175,994
	2,088,646	2,269,779

Trade and other receivables are unsecured, interest free with no fixed repayment terms and repayable at call.

The Company does not hold any collateral as security. The carrying amounts of trade receivables, other receivables and amount due from related parties approximate their fair values.

12. Cash and cash equivalents

	2016 Rs	2015 Rs
Cash in hand	**3,242**	62,862
Cash at bank	**1,275,337**	820,251
	1,278,579	883,113
Cash and cash equivalents in the statement of cash flows	**1,278,579**	883,113

13. Share capital

	2016	2015
	Rs	Rs
Authorised, issued and fully paid		
675 ordinary shares of Rs 1000 each	**675,000**	675,000

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

14. Retirement benefits obligation

	2016	2015
	Rs	Rs
At 01 January	**833,441**	768,889
Movement for the year recognized in the statement of profit or loss	**65,625**	64,552
At 31 December	**899,066**	833,441

15. Trade and other payables

	2016	2015
	Rs	Rs
Trade payables to related parties (note16)	**682,579**	412,649
Other payables and accruals	**288,698**	333,583
	971,277	746,232

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

16. Related party transactions

Related parties	**Nature of relationship**	**Related party transactions**	**Value of transaction for the year ended 31 December 2016 Rs**	Value of transaction for the year ended 31 December 2015 Rs	**Debit / (credit) at 31 December 2016 Rs**	Debit / (credit) at 31 December 2015 Rs
Key management personnel	Managing Director	Salaries and short term benefits	**1,083,374**	1,071,201	**-**	-
ECU International Far East Ltd	Related company	Management fees	**752,252**	734,350	**-**	-
Ecu-Line Belgium*	Related Company	Sale of Services	**1,592,758**	2,085,820	**809,543**	223,465
		Purchase of services	**4,379,925**	6,741,383	**(682,579)**	(412,649)
ECUHOLD NV	Holding company	Financing	**-**	661,420	**-**	-
		Dividend paid	**299,910**	750,000	**-**	-

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

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

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

ECU WORLDWIDE (MAURITIUS) LTD

Statement of profit or loss and other comprehensive income
for the year ended 31 December 2016

	Appendix	2016 Rs	2015 Rs
Revenue	1	**21,372,874**	23,360,409
Cost of sales	2	**(14,912,818)**	(15,872,498)
Gross profit		**6,460,056**	7,487,911
Administrative expenses	3	**(5,961,020)**	(6,676,448)
Profit from operations		**499,036**	811,463
Net finance costs	4	**(357,784)**	(257,620)
Profit before taxation		**141,252**	553,843

17. Operating lease

(i) *Leases as lessee –Office*

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

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

	2016 Rs	2015 Rs
Minimum lease payments under operating lease recognized as an expense in the year	**462,393**	444,896
Operating lease commitments		
Within one year	**269,040**	444,896
Between one and two years	-	-
	269,040	444,896

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

18. Holding company and ultimate holding company

The immediate holding Company is ECUHOLD N.V, a Company registered and incorporated at Schouwkesnsstraat, 1, 2030 Antwerpen, Belgium.

The ultimate holding company is Allcargo Global Logistics Ltd, a Company registered and incorporated in Mumbai, India.

19. Contingencies

	2016 Rs	2015 Rs
Contingent liabilities		
Bank guarantees in favour of the Mauritius Revenue Authority	**1,000,000**	1,000,000

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

20. Events after reporting date

There has been no significant event after the statement of financial position date which in the opinion of the board of directors requires disclosure in the financial statements.

Appendix
for the year ended 31 December 2016

1. Revenue

	2016	2015
	Rs	Rs
Operating revenue – import	**17,055,690**	19,179,139
Operating revenue - export	**598,272**	892,784
Clearing	**3,718,912**	3,288,486
	21,372,874	23,360,409

2. Cost of sales

	2016	2015
	Rs	Rs
Operational costs – import	**11,715,024**	13,455,053
Operational costs - export	**325,356**	608,127
Clearing	**2,872,438**	1,809,318
	14,912,818	15,872,498

ECU WORLDWIDE (MAURITIUS) LTD

Appendix
for the year ended 31 December 2016

3. Administrative expenses

	2016 Rs	2015 Rs
Salaries & wages	**2,981,021**	3,017,872
Employee benefits	**65,625**	64,552
Management fees	**752,252**	734,350
Rent	**465,023**	458,106
Motor vehicle running expenses	**185,898**	201,319
Overseas travelling	**145,286**	165,130
Communication costs	**130,841**	123,199
Other staff costs	**278,037**	267,217
Depreciation	**159,010**	165,618
Professional fees	**248,400**	248,500
Repairs and maintenance	**50,566**	73,956
Stationery, printing & office supplies	**134,332**	87,816
Bank charges	**43,013**	35,825
Entertainment expenses	**17,920**	103,505
License & permits	**29,908**	29,730
Marketing expenses	**38,774**	16,176
Insurance expenses	**95,785**	102,646
Subscriptions & memberships	**20,302**	13,447
Provision for bad debts	**91,476**	-
Penalties and fines	**10,543**	-
Donations	**17,008**	-
Bad debts written off	**-**	767,484
	5,961,020	6,676,448

4. Net finance costs

	2016 Rs	2015 Rs
Finance income		
Exchange gain	**(12,559)**	(20,827)
Finance expense		
Exchange loss	**370,343**	278,447
Net finance costs	**357,784**	257,620