ECU WORLDWIDE (BAHRAIN) CO. W.L.L.

FINANCIAL STATEMENTS

DECEMBER 31, 2024

ECU WORLDWIDE (BAHRAIN) CO. W.L.L.
Bahrain

Financial statements for the year ended December 31, 2024

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ECU WORLDWIDE (BAHRAIN) CO. W.L.L.
Bahrain

Administration and contact details as at December 31, 2024

Commercial Registration No.	103968-1 obtained on September 1, 2016
Shareholder Names	Ecu Hold N.V., Belgium Mrs. Masooma Fairooz Abedali A. Rasool AbdulAli
Managing Director/Authorised Signatory	Mr. Saleem Mohamed Nazir Mohamed Husein
Registered Office	Office No. 102 Building No. 3378 Road No. 1546 Block 115 Al Hidd Kingdom of Bahrain
Bankers	Bank of Bahrain and Kuwait
Auditors	Baker Tilly MKM Public Accountants 24th Floor, Al Moayyed Tower Al Seef Area PO Box 11674 Manama Kingdom of Bahrain

ECU WORLDWIDE
Geography Simplified

MANAGING DIRECTOR'S REPORT

The Managing Director presents his report and financial statements of **ECU Worldwide (Bahrain) Co. W.L.L.** (the "Company") for the year ended December 31, 2024.

PRINCIPAL ACTIVITIES OF THE COMPANY

The Company is licensed to and engages in shipping and sea freight agency services.

FINANCIAL REVIEW

The table below summarises the financial results:

	2024 BD	2023 BD
Revenue	408,247	236,922
Gross profit	82,636	87,971
Gross profit margin	20%	37%
Profit for the year	9,475	15,229

ADOPTION OF FINANCIAL STATEMENTS

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

EVENTS AFTER THE REPORTING DATE

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

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The financial statements for the year have been prepared in conformity with International Financial Reporting Standards. The Managing Director confirms that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the Company and ensure that the financial statements comply with the relevant statutory requirements. The Managing Director confirms that appropriate accounting policies have been selected and applied consistently in order to ensure that the financial statements reflect fairly the form and substance of the transactions carried out during the year and reasonably present the Company's financial condition and results of its operations.

These financial statements were authorised for issue on July 20, 2025 by:

Mr. Saleem Mohammed Nazir Mohamed Husein
Managing Director

شركة ايكيو ورلد وايد (البحرين) ذ.م.م
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Kingdom of Bahrain
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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ECU WORLDWIDE (BAHRAIN) CO. W.L.L.

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the Directors' Report. The other information does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for their compliance with the applicable provisions of the Bahrain Commercial Companies Law of 2001, and for such internal controls as management determines 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;

- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

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

We communicate with management, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Report on Anti-Money Laundering and Terrorism Financing Requirements

As required by the Bahrain Commercial Companies Law, Ministerial Order Number 103 of 2021, we have examined the internal controls systems of the Company as well as the policies and procedures relevant to detecting and reporting of suspicious transactions, in addition to systems and procedures relevant for Customer/Client identification. To the best of our knowledge and belief, we report that:

I. The Company maintains proper internal control systems and procedures sufficient for monitoring and reporting of suspicious or extraordinary transactions;
II. the Company holds sufficient measures and internal procedures relevant to verifying the identity of its customers; and
III. the Company had reported all suspicious or extraordinary transactions, if any.

In addition, we report that we are not aware of any violations of the Ministerial Order Number 103 of 2021 concerning the Obligations related to the Procedures for Prohibition of Combating Money Laundering and Terrorism Finance in the Business of the Persons Registered in the Commercial Register and the Audit Registry in the Kingdom of Bahrain.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ECU WORLDWIDE (BAHRAIN) CO. W.L.L. (continued)

Report on Other Legal and Regulatory Requirements

As required by the Bahrain Commercial Companies Law of 2001, as amended, except for the matter described in the Basis for Qualified Opinion section of our report, we report that:

I. we have obtained all the information and explanation we considered necessary for the purpose of our audit;

II. the Company has maintained proper books of account and the financial statements are in agreement therewith; and

III. the financial information included in the Managing Director's report is consistent with the books of account of the Company.

In addition, we report that nothing has come to our attention which causes us to believe that the Company has breached any of the applicable provisions of the Bahrain Commercial Companies Law of 2001, as amended, or of its Memorandum and Articles of Association, which would materially affect its activities, or its financial position as at December 31, 2024.

Baker Tilly

Eyad Husain
Baker Tilly MKM Public
Accountants
Registration number 98
Manama, Kingdom of Bahrain

Date: 20 July 2025

bakertilly
MKM PUBLIC
ACCOUNTANTS
C.R.No.: 80680-1

ECU WORLDWIDE (BAHRAIN) CO. W.L.L.
Bahrain

Statement of financial position
As at December 31, 2024

		2024	2023
ASSETS	**Note**	**BD**	**BD**
Current assets			
Cash and cash equivalents	6	16,769	24,454
Accounts receivables	7	172,312	27,900
Other receivables	8	1,567	1,391
Due from related parties	9.1	11,365	26,422
		202,013	80,167
Non-current assets			
Property and equipment	10.3	798	1,310
TOTAL ASSETS		202,811	81,477
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payables	11	11,051	5,144
Other payables	12	11,575	43,355
Due to related party	9.2	10,498	-
Loan from shareholder	9.3	127,406	-
		160,530	48,499
Non-current liabilities			
Employees' end-of-service benefits	13	2,578	2,749
Total liabilities		163,108	51,248
Equity			
Share capital	2	10,000	10,000
Statutory reserve		5,000	5,000
Retained earnings		24,703	15,229
Total equity		39,703	30,229
TOTAL LIABILITIES AND EQUITY		202,811	81,477

The accompanying notes from 1 to 22 form an integral part of these financial statements.

The report of the independent auditor is set out on pages 3 to 5.

The financial statements were authorised for issue on 20 July, 2025 by:

Mr. Saleem Mohamed Nazir Mohamed Husein
Managing Director

شركة ايكيو ورلد وايد (البحرين) ذ.م.م
CR No: 103968-1
Kingdom of Bahrain
ECU WORLDWIDE (BAHRAIN) CO. W.L.L.

ECU WORLDWIDE (BAHRAIN) CO. W.L.L.
Bahrain

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

	Note	2024 BD	2023 BD
Revenue	14	408,247	236,922
Direct costs	15	(325,611)	(148,951)
Gross profit		82,636	87,971
Other income	16	18,953	4,689
Allowance for expected credit losses on accounts receivable	7.3	(11,000)	-
General and administrative expenses	17	(76,067)	(77,431)
Finance cost	18	(5,047)	-
Profit for the year		9,475	15,229
Other comprehensive income		-	-
Total comprehensive income for the year		9,475	15,229

The accompanying notes from 1 to 22 form an integral part of these financial statements.

The report of the independent auditor is set out on pages 3 to 5.

ECU WORLDWIDE (BAHRAIN) CO. W.L.L.
Bahrain

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

	Share capital BD	Statutory reserve BD	Retained earnings BD	Total equity BD
As at January 1, 2023	10,000	5,000	71,906	86,906
Dividend paid	-	-	(71,906)	(71,906)
Total comprehensive income for the year	-	-	15,229	15,229
As at December 31, 2023	10,000	5,000	15,229	30,229
Total comprehensive income for the year	-	-	9,475	9,475
As at December 31, 2024	10,000	5,000	24,703	39,703

The accompanying notes from 1 to 22 form an integral part of these financial statements.

The report of the independent auditor is set out on pages 3 to 5.

ECU WORLDWIDE (BAHRAIN) CO. W.L.L.
Bahrain

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

	Note	2024 BD	2023 BD
Cash flows from operating activities			
Profit for the year		9,475	15,229
Adjustments for:			
Provision for employees' end-of-service benefits	13	764	848
Finance Cost	18	5,047	-
Reversal of provision for employees' end of service benefits	16	(453)	-
Liabilities written-back	16	(18,500)	(4,689)
Depreciation of property and equipment	17	511	402
Operating (loss)/profit before working capital changes		(3,156)	11,790
(Increase)/Decrease in accounts receivable		(144,412)	8,554
(Increase)/Decrease in other receivables		(176)	2,810
Movement in related party balances, net		20,508	(25,933)
Increase/(decrease) in accounts payables		5,907	(6,101)
(Decrease)/increase in other payables		(13,280)	13,830
Cash (used in)/generated from operations		(134,609)	4,950
Employees' end-of-service benefits paid	13	(482)	-
Net cash (used in) / generated from operating activities		(135,091)	4,950
Cash flows from investing activities			
Acquisition to property and equipment	10.1	-	(659)
Net cash used in investing activities		-	(659)
Cash flows from financing activities			
Loan from shareholder	9.3	127,406	-
Dividend paid	9.5	-	(71,906)
Net cash from/(used in) financing activities		127,406	(71,906)
Net decrease in cash and cash equivalents		(7,685)	(67,615)
Cash and cash equivalents at the beginning of the year		24,454	92,069
Cash and cash equivalents at the end of the year	6	16,769	24,454

The accompanying notes from 1 to 22 form an integral part of these financial statements.

The report of the independent auditor is set out on pages 3 to 5.

1 LEGAL STATUS AND BUSINESS ACTIVITIES

a) **ECU Worldwide (Bahrain) Co. W.L.L.** (the "Company") is Limited Liability Company incorporated on September 1, 2016 under Commercial License Number 103968-1, issued by the Ministry of Industry and Commerce, Kingdom of Bahrain.

b) The Company is licensed to and engages in sea freight agency services.

c) The Registered Office of the Company is situated in Al Hidd, Kingdom of Bahrain.

d) The management of the Company is vested with Mr. Saleem Mohamed Nazir Mohamed Husein, the Managing Director.

2 SHARE CAPITAL

The authorised, issued and paid-up capital of the Company is BD 10,000, divided into 100 shares of BD 100 each, fully paid, and held by the shareholders as at the reporting date as follows:

Name of the Shareholder	Country of incorporation/ Nationality	No. of Shares	Amount BD	%
Ecu Hold N.V.	Belgium	49	4,900	49
Masooma Fairooz Abedali A. Rasool AbdulAli – Sponsor	Bahraini	51	5,100	51
Total		**100**	**10,000**	**100**

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

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

3 BASIS OF PREPARATION

a) Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards – Accounting Standards ("IFRS Accounting Standards") issued by the International Accounting Standards Board ("IASB"), Interpretations issued by the IFRS Interpretations Committee (the "Committee"), and the applicable provision of Commercial Companies Law of Bahrain of 2001, as amended as may be applicable.

b) Accounting convention

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

c) Functional and presentation currency

The functional and reporting currency of the Company is Bahraini Dinar ("BHD"), as all major transactions are effected in that currency. The Company also transacts in United States Dollars ("USD").

3 BASIS OF PREPARATION (continued)

d) Changes in accounting policies and disclosure

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

New standards, interpretations and amendments

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

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

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

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

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

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

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

a) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

a) Financial instruments (continued)

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

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

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

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

The above classification is determined by both:

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

All expenses relating to financial instruments that are recognised in the statement of comprehensive income are presented within general and administrative expenses or finance costs as appropriate, except for allowance for expected credit losses on trade receivable which is presented separately in the statement of comprehensive income.

Financial assets at amortised cost

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

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

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

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

Financial liabilities at amortised cost

All financial liabilities are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method. The Company's accounts payables, other payables (excluding deferred revenue), due to related party and loan from shareholder fall into this category of financial instruments.

b) Cash and cash equivalents

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

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Accounts receivable

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

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

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

d) Other receivables

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

e) Related party balances and transactions

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

Related party balances are assessed for recoverability as per the ECL model.

Amounts due from/to related parties and loan from shareholder are classified as current assets/liabilities unless there is a formal agreement in place to defer collection/repayment for a period in excess of 12 months, in which case the amount collectible/repayable after 12 months as at the reporting date is classified as non-current assets/liabilities.

f) Impairment of financial assets

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

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

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

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

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

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

g) Offsetting of financial assets and liabilities

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

h) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition and bringing the asset to its working condition. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. When a part of an asset is replaced, and the cost of the replacement asset is capitalised, the carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are recognised in the statement of comprehensive income during the financial year in which they are incurred.

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

Assets	Years
Furniture and fixtures	4
Office equipment	3
Computer equipment	3

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

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

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

i) Impairment of non-financial assets

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

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

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

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Short-term leases and leases of low value

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

k) Determination of fair value

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

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

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

l) Accounts payables

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

m) Other payables

Other payables include accrued expenses – import and export, accrued expenses - others, deferred revenue and others.

Accrued expenses are the cost of goods or services received or incurred during a year for which the supplier invoice has not been received as at the reporting date.

Deferred revenue refers to payments received in advance for services which have not yet been performed.

n) Provisions

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

o) Contingent liabilities

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

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

p) Employees' end-of-service benefits

Provision is made for the end-of-service benefits due to employees in accordance with the Bahraini Indemnity Law for their periods of service up to the reporting date. The provision for the employees' end-of-service benefits is calculated based on their current basic remuneration.

q) Statutory reserve

As required by the Commercial Companies Law of Bahrain of 2001 (as amended in 2014, 2015 and 2018) and the Company's Memorandum of Association, 10% of the profit for the year is required to be transferred to a statutory reserve until such reserve equals 50% of the paid-up share capital of the Company. Having now attained this limit, transfers have ceased. This reserve is not available for distribution to the shareholders.

r) Revenue recognition

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

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

i. Identify the contracts with customers;
ii. Identify the performance obligations in the contract;
iii. Determine the transaction price:
iv. Allocate the transaction price to the performance obligations; and
v. Recognise revenue when the Company satisfies a performance obligation at a point in time.

Revenue is recognised at a point in time as an when the Company satisfies performance obligations by providing the promised services to its customers.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as current liabilities in these financial statements. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

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

The Company generates revenue from shipping and sea freight agency services, which are recognised on execution of orders of customers and agents.

s) Expenses

Direct costs include all costs directly attributable to the generation of revenue and include wages and salaries of revenue-generating employees, rent expense, and other direct costs. All other expenses are classified as general and administrative expenses.

t) Foreign currency transactions and translations

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

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

s) Current versus non-current classification

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

s) Fair value measurement

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

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

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

5 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

Estimates and judgments are continually evaluated and are based on historic experience, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future years.

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

5 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

i) Allowance for excepted credit losses on accounts receivable

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

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

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

6 CASH AND CASH EQUIVALENTS

	2024	2023
	BD	BD
Cash in hand	1,000	1,000
Cash at bank	15,769	23,454
	16,769	24,454

7 ACCOUNTS RECEIVABLE

	2024	2023
	BD	BD
Accounts receivable - third parties	159,518	16,554
Accounts receivable - related parties (note 9.4)	25,527	13,079
Accounts receivable - gross (notes 7.1 and 7.2)	185,045	29,633
Less: allowance for expected credit losses on accounts receivable (note 7.3)	(12,733)	(1,733)
Accounts receivable, net	172,312	27,900

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

7.2 As at 31 December, the ageing analysis of accounts receivable was as follows:

		Not past Due	Past due		
	Total	0-90 days	91-120 days	121-180 days	>180 days
	BD	BD	BD	BD	BD
2024	185,045	38,400	508	899	145,238
2023	29,633	20,258	1,427	5,317	2,631

7.3 **Expected credit losses on accounts receivable**

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

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

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

Accounts receivable are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within the credit period and failure to engage with the Company on alternative payment arrangements amongst others are considered indicators of no reasonable expectation of recovery.

The movement in allowance for excpected credit losses on accounts receivable was as follows:

	2024	2023
	BD	BD
Balance at the beginning of the year	1,733	1,733
Allowance for expected credit losses on accounts receivable	11,000	-
Balance at the end of the year	12,733	1,733

8 OTHER RECEIVABLES

	2024	2023
	BD	BD
Deposits	800	800
Prepaid expenses	731	393
VAT recoverable, net	36	152
Accrued income	-	46
	1,567	1,391

9 RELATED PARTY BALANCES AND TRANSACTIONS

As at the reporting date, balances with related parties were as follows:

9.1 Due from related parties

	Relationship	2024	2023
		BD	BD
ECU Hold N.V., Belgium	Shareholder	-	26,285
ECU Line Middle East (L.L.C.), U.A.E.	Common control	11,365	137
		11,365	26,422

There is no impact of IFRS 9 on balances due from related parties.

9.2 Due to related party

	Relationship	2024	2023
		BD	BD
ECU Hold N.V., Belgium	Shareholder	10,498	-

9.3 Loan from shareholder

ECU Hold N.V., Belgium	Shareholder	127,406	-

The loan from the shareholder is repayable on demand and carried interest at 6% per annum till September 30, 2024, and 5.50% per annum effective from October 01, 2024.

9.4 Other significant balances with related parties as at the reporting date were as follows:

Accounts receivable (note 7)	25,527	13,079
Accounts payables (note 11)	7,691	2,067

9.5 Transactions with related parties (excluding funds transfers) were as follows:

Dividend paid	-	71,906
Revenue (note 14)	59,765	40,749
Direct costs (note 15)	110,132	76,934
Loan from shareholder (note 9.3)	127,406	-
Interest on loan from shareholder (note 18)	5,047	-

10 PROPERTY AND EQUIPMENT

		Furniture and fixtures	Office equipment	Computer equipment	Total
10.1	**Cost**	**BD**	**BD**	**BD**	**BD**
	As at January 1, 2023	2,318	727	673	3,718
	Additions during the year	-	-	659	659
	As at December 31, 2023	2,318	727	1,332	4,377
	Additions during the year	-	-	-	-
	As at December 31, 2024	2,318	727	1,332	4,377
10.2	**Accumulated depreciation**				
	As at January 1, 2023	1,286	727	652	2,665
	Charge for the year (note 17)	308	-	94	402
	As at December 31, 2023	1,594	727	746	3,067
	Charge for the year (note 17)	296	-	215	511
	As at December 31, 2024	1,891	727	961	3,579
10.3	**Net book value**				
	As at December 31, 2023	724	-	586	1,310
	As at December 31, 2024	427	-	371	798

11 ACCOUNTS PAYABLES

	2024	2023
	BD	BD
Accounts payables - related parties (note 9.4)	7,691	2,067
Accounts payables - third parties	3,360	3,077
	11,051	5,144

12 OTHER PAYABLES

	2024	2023
	BD	BD
Accrued expenses - others	6,723	25,004
Accrued expenses - import and export	4,002	16,200
Deferred revenue	183	1,407
Other payables	667	744
	11,575	43,355

13 EMPLOYEES' END-OF-SERVICE BENEFITS

	2024	2023
	BD	BD
Balance at the beginning of the year	2,749	1,901
Provided for during the year	764	848
Paid during the year	(482)	-
Reversal of excess provisions (note 16)	(453)	-
Balance at the end of the year	2,578	2,749

14 REVENUE

	2024	2023
At a point in time	**BD**	**BD**
Revenue from third parties	348,482	196,173
Revenue from related parties (note 9.5)	59,765	40,749
	408,247	236,922

14.1 Revenue is recognized at a point in time as the Company satisfies performance obligations by providing the promised services to its customers.

14.2 All the revenues are generated within Bahrain.

15 DIRECT COSTS

	2024	2023
	BD	**BD**
Direct costs from non related parties	215,479	72,017
Direct costs from related parties (note 9.5)	110,132	76,934
	325,611	148,951

16 OTHER INCOME

	2024	2023
	BD	**BD**
Liabilities written-back	18,500	4,689
Reversal of provision for employees' end of service benefits (note 13)	453	-
	18,953	4,689

17 GENERAL AND ADMINISTRATIVE EXPENSES

	2024	2023
	BD	**BD**
Salaries and benefits	24,227	34,943
Legal and professional expenses	36,114	30,588
Office expenses	7,544	7,767
Depreciation of property and equipment (note 10.2)	511	402
Other expenses (note 17.1)	7,671	3,731
	76,067	77,431

17.1 Includes foreign currency exchange loss-net of BHD 4,063 (2023: nil)

18 FINANCE COST

	2024	2023
	BD	**BD**
Interest on loan from shareholder (note 9.4)	5,047	-

19 COMMITMENTS AND CONTINGENCIES

19.1 Capital and operating expenditure commitments

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

19.2 Contingent liabilities

The Company did not have any contingent liabilities as at the reporting date.

20 RISK MANAGEMENT

20.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company was exposed to interest rate risk on interest-bearing loans from shareholder, which is at variable interest rates as follows:

	2024	2023
	BD	BD
Interest-bearing loan from shareholder (note 9.3)	127,406	-

Interest rates	Effect on the result for the year (decrease)/increase	
Increase by 5.5%	(7,007)	-
Decrease by 5.5%	7,007	-

There were no interest-bearing assets as at the reporting date.

20.2 Credit risk

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

	2024	2023
	BD	BD
Cash at bank (note 6)	15,769	23,454
Accounts receivable, net (note 7)	172,312	27,900
Other receivables (excluding prepaid expenses and VAT recoverable, net) (note 8	800	846
Due from related parties (note 9.1)	11,365	26,422
	200,246	78,622

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

20 RISK MANAGEMENT (continued)

20.2 Credit risk (continued)

Credit risks related to accounts receivable are managed subject to the Company's policies, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria and the credit quality of customers is assessed by management. The rating and credit quality is used to determine the expected credit losses for customer receivables in line with IFRS 9. In measuring the excpected credit losses, the accounts receivable have been assessed on a collective basis as they possess shared credit risk characteristics.

Other receivables (excluding prepaid expenses and VAT recoverable, net) carry minimum risk as they are due from low risk parties.

Due from related parties relates to transactions with minimal credit risk.

20.3 Liquidity risk

Liquidity risk is the risk that the Company may not have sufficient liquid funds to meet its financial obligations as they fall due. The Company limits its liquidity risk by managing its cash flows. The Company’s terms of contract require amounts to be paid within 90 days from the date of invoice.

The table below summarises the maturities of the Company’s financial liabilities at December 31.

	Less than 12 months	
	2024	**2023**
	BD	**BD**
Accounts payables (note 11)	11,051	5,144
Other payables (excluding deferred revenue invoices) (note 12)	11,392	41,948
Loan from shareholder (note 9.3)	127,406	-
	149,849	47,092

20.4 Foreign currency risk

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

Most of the Company's transactions are carried out in BD and USD. As the BD is pegged to the USD, there is no foreign currency risk involved with regard to the USD.

21 FAIR VALUES

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

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

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

22 EVENTS AFTER THE REPORTING DATE

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