

**ECU WORLDWIDE (KENYA) LIMITED
ANNUAL REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

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COMPANY INFORMATION

BOARD OF DIRECTORS : Sanjeev Sukumaran (Indian) (Resigned on 23.04.2026)
: Saleem Mohamed Nazir (British) (Resigned on 23.04.2026)
: Jayesh Tanna (Indian) (Appointed on 23.04.2026)
: Tushar Nairi (Indian) (Appointed on 23.04.2026)

**REGISTERED OFFICE AND
PRINCIPAL PLACE OF BUSINESS** : Inchcape House
: 3rd Floor, Archbishop Makarios cls
: Off Moi Avenue
: P. O. Box 94066 - 80107
: Mombasa

INDEPENDENT AUDITOR : PKF Kenya LLP
: Certified Public Accountants
: P. O. Box 90553 - 80100
: Mombasa

COMPANY SECRETARIES : Africa Registrars LLP
: Certified Public Secretaries
: P. O. Box 1243 - 00100
: Nairobi

PRINCIPAL BANKER : Stanbic Bank Kenya Limited
: P. O. Box 90131 - 80100
: Mombasa

: KCB Bank Kenya Limited
: P. O. Box 90254 - 80100
: Mombasa

LEGAL ADVISORS : Cootow & Associates Advocates
: Social Security House
: P. O. Box 16858 - 80100
: Mombasa

SUBSIDIARY : Ecu Shipping Logistics (K) Limited
: Mombasa

PARENT COMPANY : EcuHold NV
: Belgium

ULTIMATE PARENT COMPANY : AllCargo Global Logistics Limited
: India

REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements of Ecu Worldwide (Kenya) Limited (the company) and its subsidiary Ecu Shipping Logistics (K) Limited for the year ended 31 December 2025, which present the financial position of the group and the company as at 31 December 2025 and their financial performance and cash flows for the year then ended.

PRINCIPAL ACTIVITIES

The principal activities of the company are those of provision of freight shipping and air services, clearing, forwarding, warehousing agents and investment in property letting. The principal activity of the subsidiary company, Ecu Shipping Logistics (K) Limited, is lodging of import manifests.

BUSINESS REVIEW

The turnover of the company decreased from Shs 861,896,215 in 2024 to Shs 827,323,604 in 2025. The decrease was mainly due to a combination of effects in exchange rate fluctuations, stiff competition along with geo-political factors on a global scale which impacted the company's operations. The loss before tax decreased from Shs 6,256,200 in 2024 to Shs 2,742,460 in 2025 as a result of the above drop in revenue together with lower margin realised.

Key performance indicators	Group		Company	
	2025	2024	2025	2024
Turnover (Shs)	827,323,604	861,896,215	827,323,604	861,896,215
Gross profit (Shs)	181,331,313	205,264,284	179,999,313	203,926,284
Gross profit margin (%)	22	24	22	24
(Loss)/profit for the year (Shs)	(2,116,537)	256,416	(2,334,054)	(54,107)
Net assets (Shs)	41,435,362	4,644,264	2,287,837	4,621,891

PRINCIPAL RISKS AND UNCERTAINTIES

The overall business environment continues to remain challenging and this has a resultant effect on overall demand of the group's/company's services. The group's/company's strategic focus is to enhance sales growth whilst maintaining profit margins, the success of which remains dependent on overall market conditions and other factors.

In addition to the business risks discussed above, the group's/company's activity exposes it to a number of financial risks including credit risk, cash flow and foreign currency risk and liquidity risk as set out below:

Credit risk

The group's/company's principal financial assets are cash and bank balances and trade and other receivables which consist primarily of related party balances. The group's/company's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables. An allowance for impairment is made in line with impairment accounting policy outlined under Note 2(b) (significant accounting policies). The credit risk on cash and bank balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The group/company has no significant concentration of credit risk, with exposure spread over a number of counterparties. Management does not deem related party receivables to carry any credit risk.

.....continued on page 3

REPORT OF THE DIRECTORS

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Cash flow and foreign currency risk

The majority of the group's/company's transactions are in foreign currency, thus it is exposed to currency risk. This risk is managed through appropriate operational offset of open receivable and payable foreign currency positions.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group/company monitors its need for cash on a regular basis and takes appropriate action through financing arrangements.

DIVIDEND

The directors do not recommend the declaration of a dividend for the year (2024: Shs Nil).

DIRECTORS

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

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

STATEMENT AS TO DISCLOSURE TO THE COMPANY'S AUDITOR

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

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

TERMS OF APPOINTMENT OF THE AUDITOR

PKF Kenya LLP, continues in office in accordance with the company's Articles of Association and Section 719 of the Companies Act, Cap. 486, Laws of Kenya. The directors monitor the effectiveness, objectivity and independence of the auditor. The directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fee.

Approved by the board of directors on 31 July 2026 and signed on its behalf by:

BY ORDER OF THE BOARD



DIRECTOR
NAIROBI

Ecu Worldwide (Kenya) Limited
Annual report and consolidated financial statements
For the year ended 31 December 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act, Cap. 486, Laws of Kenya requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the group and company keeps proper accounting records that are sufficient to show and explain the transactions of the group and company; and that disclose, with reasonable accuracy, the financial position of the group and company and that enable them to prepare financial statements of the company that comply with the IFRS for SMEs® Accounting Standard and the requirements of the Companies Act, Cap. 486, Laws of Kenya. The directors are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors accept responsibility for the preparation and fair presentation of the financial statements in accordance with the IFRS for SMEs Accounting Standard and in the manner required by the Companies Act, Cap. 486, Laws of Kenya. The directors also accept responsibility for:

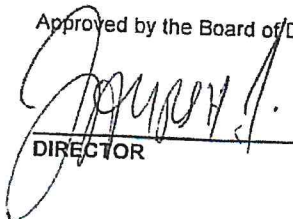
- i. Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii. Selecting and applying appropriate accounting policies;
- iii. Making accounting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

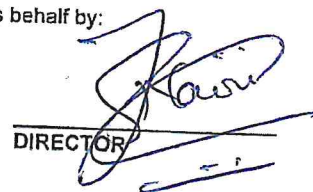
The directors confirm that the financial statements give a true and fair view of the financial position of the group and company as at 31 December 2025 and of its financial performance and cash flows for the year then ended in accordance with the IFRS for SMEs Accounting Standard and the requirements of the Companies Act, Cap. 486, Laws of Kenya.

Having made an assessment of the group's and company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the group's and company's ability to continue as a going concern.

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

Approved by the Board of Directors on 31 July 2026 and signed on its behalf by:


DIRECTOR


DIRECTOR



**REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF ECU WORLDWIDE (KENYA) LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Ecu Worldwide (Kenya) Limited and its subsidiary (the Group), set out on pages 8 to 29 which comprise the consolidated and company statements of financial position as at 31 December 2025, the consolidated and company statements of profit or loss, consolidated and company statements of changes in equity and the consolidated and company statements of cash flows the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the consolidated and company financial position as at 31 December 2025, and of the consolidated and company financial performance and cash flows for the year then ended in accordance with the IFRS for SMEs® Accounting Standard and the requirements of the Companies Act, Cap. 486, Laws of Kenya.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our 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 report of the directors, and the consolidated and company schedules of expenditure and schedule of net rental income but does not include the consolidated financial statements and our auditor's report thereon.

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

Responsibilities of directors for the Consolidated Financial Statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with the IFRS for SMEs Accounting Standard and the requirements of the Companies Act, Cap. 486, Laws of Kenya and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

.....continued on page 6

**REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF ECU WORLDWIDE (KENYA) LIMITED (CONTINUED)**

Responsibilities of directors for the Consolidated Financial Statements (continued)

In preparing the consolidated financial statements, the directors are responsible for assessing the group's and 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 the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 International Standards on Auditing 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and 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 consolidated 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 group or company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

.....continued on page 7



**REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF ECU WORLDWIDE (KENYA) LIMITED (CONTINUED)**

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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

Report on other matters prescribed by the Companies Act, Cap. 486, Laws of Kenya.

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

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Pivush Ramesh Devchand Shah Practising certificate No. 1521.

A handwritten signature in black ink, appearing to read "Pivush Ramesh Devchand Shah", with a horizontal line underneath.

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

18 August 2026

0227/2026



UNIQUE CODE: 42058260817

Ecu Worldwide (Kenya) Limited
Annual report and consolidated financial statements
For the year ended 31 December 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	2025 Shs	2024 Shs
Revenue	3	827,323,604	861,896,215
Cost of sales		<u>(645,992,291)</u>	<u>(656,631,931)</u>
Gross profit		181,331,313	205,264,284
Other income	4	9,003,887	5,007,533
Administrative expenses		(157,696,039)	(180,431,747)
Other operating expenses		<u>(32,957,217)</u>	<u>(35,785,747)</u>
Operating loss		(318,056)	(5,945,677)
Finance cost	7	<u>(2,138,219)</u>	<u>-</u>
Loss before tax		(2,456,275)	(5,945,677)
Tax credit	8	<u>339,738</u>	<u>6,202,093</u>
(Loss)/profit for the year		<u><u>(2,116,537)</u></u>	<u><u>256,416</u></u>
Attributable to:			
Owners of the company		(2,116,755)	256,105
Non-controlling interests		<u>218</u>	<u>311</u>
		<u><u>(2,116,537)</u></u>	<u><u>256,416</u></u>

The notes on pages 16 to 29 form an integral part of these financial statements.

Report of the independent auditor - pages 5 - 7.

Ecu Worldwide (Kenya) Limited
Annual report and consolidated financial statements
For the year ended 31 December 2025

COMPANY STATEMENT OF PROFIT OR LOSS

	Notes	2025 Shs	2024 Shs
Revenue	3	827,323,604	861,896,215
Cost of sales		<u>(647,324,291)</u>	<u>(657,969,931)</u>
Gross profit		179,999,313	203,926,284
Other income	4	9,003,887	5,007,533
Administrative expenses		(156,726,545)	(179,470,704)
Other operating expenses		<u>(32,880,895)</u>	<u>(35,719,313)</u>
Operating loss		(604,240)	(6,256,200)
Finance cost	7	<u>(2,138,219)</u>	<u>-</u>
Loss before tax		(2,742,459)	(6,256,200)
Tax credit	8	<u>408,405</u>	<u>6,202,093</u>
Loss for the year		<u><u>(2,334,054)</u></u>	<u><u>(54,107)</u></u>

The notes on pages 16 to 29 form an integral part of these financial statements.

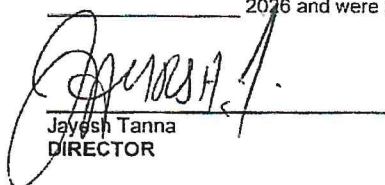
Report of the independent auditor - pages 5 - 7.

Ecu Worldwide (Kenya) Limited
Annual report and consolidated financial statements
For the year ended 31 December 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
	Notes	2025 Shs	2024 Shs
CAPITAL EMPLOYED			
Share capital	9	4,000,000	4,000,000
Proposed dividends		-	-
Retained earnings		(1,471,525)	645,230
Equity attributable to owners of the company		2,528,475	4,645,230
Non-controlling interests		(748)	(966)
Non-current liabilities			
Long-term payable to related party	17	38,907,635	-
		<u>41,435,362</u>	<u>4,644,264</u>
REPRESENTED BY			
Non-current assets			
Vehicles and equipment	10	8,418,130	11,524,242
Intangible asset	11	-	-
Deferred tax	12	17,485,142	16,363,395
		<u>25,903,272</u>	<u>27,887,637</u>
Current assets			
Trade and other receivables	14	152,271,584	138,110,104
Cash and cash equivalents	15	31,232,493	34,754,208
Tax recoverable		15,789,717	15,448,330
		<u>199,293,794</u>	<u>188,312,642</u>
Current liabilities			
Trade and other payables	16	183,761,704	211,556,015
Net current assets/(liabilities)		<u>15,532,090</u>	<u>(23,243,373)</u>
		<u>41,435,362</u>	<u>4,644,264</u>

The financial statements on pages 8 to 29 were approved and authorised for issue by the Board of Directors on 2026 and were signed on its behalf by:


Jayesh Tanna
DIRECTOR


Tushar Nairi
DIRECTOR

The notes on pages 16 to 29 form an integral part of these financial statements.

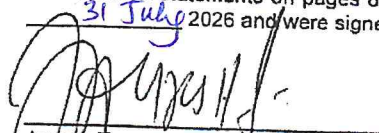
Report of the independent auditor - pages 5 - 7.

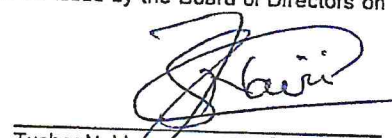
Ecu Worldwide (Kenya) Limited
Annual report and consolidated financial statements
For the year ended 31 December 2025

COMPANY STATEMENT OF FINANCIAL POSITION

		As at 31 December	
	Notes	2025 Shs	2024 Shs
CAPITAL EMPLOYED			
Share capital			
Proposed dividends	9	4,000,000	4,000,000
Retained earnings		(1,712,163)	621,891
Equity attributable to owners of the company		2,287,837	4,621,891
Non-current liabilities			
Long-term payable to related party	17	38,907,635	
		41,195,472	4,621,891
REPRESENTED BY			
Non-current assets			
Vehicles and equipment	10	8,418,130	11,524,242
Intangible asset	11	-	-
Deferred tax	12	17,485,142	16,363,395
Investment in subsidiary	13	999,000	999,000
		26,902,272	28,886,637
Current assets			
Trade and other receivables	14	152,317,984	138,156,504
Cash and cash equivalents	15	30,248,506	34,038,502
Tax recoverable		15,223,887	14,882,233
		197,790,377	187,077,239
Current liabilities			
Trade and other payables	16	183,497,177	211,341,985
Net current assets/(liabilities)		14,293,200	(24,264,746)
		41,195,472	4,621,891

The financial statements on pages 8 to 29 were approved and authorised for issue by the Board of Directors on 31 July 2026 and were signed on its behalf by:


Jayesh Tanna
DIRECTOR


Tushar Nairi
DIRECTOR

The notes on pages 16 to 29 form an integral part of these financial statements.

Report of the independent auditor - pages 5 - 7.

Ecu Worldwide (Kenya) Limited
Annual report and consolidated financial statements
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital Shs	Retained earnings Shs	Proposed dividends Shs	Total equity attributable to the owners interests Shs	Non- controlling interests Shs	Total Shs
Year ended 31 December 2025						
As start of year	4,000,000	645,230	-	4,645,230	(966)	4,644,264
Loss for the year	-	(2,116,755)	-	(2,116,755)	218	(2,116,537)
At end of year	4,000,000	(1,471,525)	-	2,528,475	(748)	2,527,727
Year ended 31 December 2025						
As start of year	4,000,000	389,125	41,300,000	45,689,125	(1,277)	45,687,848
Profit for the year	-	256,105	-	256,105	311	256,416
Dividends: Final for 2023 (paid)	-	-	(41,300,000)	(41,300,000)	-	(41,300,000)
At end of year	4,000,000	645,230	-	4,645,230	(966)	4,644,264

The notes on pages 16 to 29 form an integral part of these financial statements.

Report of the independent auditor - pages 5 - 7.

Ecu Worldwide (Kenya) Limited
Annual report and consolidated financial statements
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COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital Shs	Retained earnings Shs	Proposed dividends Shs	Total Shs
Year ended 31 December 2025				
As start of year	4,000,000	621,891	-	4,621,891
Loss for the year	-	(2,334,054)	-	(2,334,054)
At end of year	<u>4,000,000</u>	<u>(1,712,163)</u>	<u>-</u>	<u>2,287,837</u>
Year ended 31 December 2024				
As start of year	4,000,000	675,998	41,300,000	45,975,998
Loss for the year	-	(54,107)	-	(54,107)
Dividends: Final for 2023 (paid)	-	-	(41,300,000)	(41,300,000)
At end of year	<u>4,000,000</u>	<u>621,891</u>	<u>-</u>	<u>4,621,891</u>

The notes on pages 16 to 29 form an integral part of these financial statements.

Report of the independent auditor - pages 5 - 7.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2025 Shs	2024 Shs
Cash flows from operating activities			
Loss before tax		(2,456,275)	(5,945,677)
Adjustments for:			
Depreciation of vehicles and equipment	10	5,095,992	5,772,914
Amortisation of intangible asset	11	-	24,278
Interest expense	7	2,138,219	-
Gain on disposal of vehicles and equipment	4	(52,380)	(6,465)
Unrealised exchange loss/(gain)		4,888,154	(72,705)
Cash flows from operating activities before changes in working capital		9,613,710	(227,655)
Changes in working capital:			
- trade and other receivables		(14,161,480)	62,525,565
- trade and other payables		23,805,693	(22,915,832)
Cash from operations		19,257,923	39,382,078
Interest paid		(2,138,219)	
Tax paid		(1,123,400)	(19,541,390)
Net cash generated from operating activities		15,996,304	19,840,688
Cash flows from investing activities			
Cash paid for purchase of vehicles and equipment	10	(2,027,500)	(759,782)
Proceeds from disposal of vehicles and equipment		90,000	6,465
Net cash used in investing activities		(1,937,500)	(753,317)
Cash flows from financing activities			
Loan repayment		(12,692,365)	-
Dividends paid		-	(41,300,000)
Net cash used in financing activities		(12,692,365)	(41,300,000)
Increase/(decrease) in cash and cash equivalents		1,366,439	(22,212,629)
Movement in cash and cash equivalents			
At start of year		34,754,208	57,114,180
Increase/(decrease)		1,366,439	(22,212,629)
Effect of exchange rate changes		(4,888,154)	(147,343)
At end of year	15	31,232,493	34,754,208

The notes on pages 16 to 29 form an integral part of these financial statements.

Report of the independent auditor - pages 5 - 7.

COMPANY STATEMENT OF CASH FLOWS

	Notes	2025 Shs	2024 Shs
Cash flows from operating activities			
Loss before tax		(2,742,459)	(6,256,200)
Adjustments for:			
Depreciation of vehicles and equipment	10	5,095,992	5,772,914
Amortisation of intangible asset	11	-	24,278
Interest expense	7	2,138,219	-
Gain on disposal of vehicles and equipment	4	(52,380)	(6,465)
Unrealised exchange loss/(gain)		<u>4,888,154</u>	<u>(72,705)</u>
Cash flows from operating activities before changes in working capital		9,327,526	(538,178)
changes in working capital			
Changes in working capital:			
- trade and other receivables		(14,161,480)	62,523,565
- trade and other payables		<u>23,755,195</u>	<u>(22,934,232)</u>
Cash from operations		18,921,241	39,051,155
Interest paid		(2,138,219)	-
Tax paid		<u>(1,055,000)</u>	<u>(19,478,889)</u>
Net cash generated from operating activities		<u>15,728,022</u>	<u>19,572,266</u>
Cash flows from investing activities			
Cash paid for purchase of vehicles and equipment	10	(2,027,500)	(759,782)
Proceeds from disposal of vehicles and equipment		<u>90,000</u>	<u>6,465</u>
Net cash used in investing activities		<u>(1,937,500)</u>	<u>(753,317)</u>
Cash flows from financing activities			
Dividends paid		-	(41,300,000)
Loan repayment		<u>(12,692,365)</u>	<u>-</u>
Net cash used in financing activities		<u>(12,692,365)</u>	<u>(41,300,000)</u>
Increase/(decrease) in cash and cash equivalents		<u>1,098,157</u>	<u>(22,481,051)</u>
Movement in cash and cash equivalents			
At start of year		34,038,503	56,666,897
Increase/(decrease)		1,098,157	(22,481,051)
Effect of exchange rate changes		<u>(4,888,154)</u>	<u>(147,343)</u>
At end of year	15	<u>30,248,506</u>	<u>34,038,503</u>

The notes on pages 16 to 29 form an integral part of these financial statements.

Report of the independent auditor - pages 5 - 7.

NOTES

1. General Information

Ecu Worldwide (Kenya) Limited ('the company') is incorporated under the Companies Act, Cap. 486, Laws of Kenya, as a private company limited by shares. The address of its registered office and principal place of business is in Mombasa, Kenya.

Their principal activity is that of provision of freight shipping and air services, clearing, forwarding and warehousing agents. The principal activity of the subsidiary company, Ecu Shipping Logistics (K) Limited, is lodging of import manifests.

2) Significant Accounting Policies

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

2. a) Basis of preparation

The consolidated financial statements of Ecu Worldwide (Kenya) Limited have been prepared in accordance with the IFRS for SMEs® Accounting Standard issued by the International Accounting Standards Board (IASB) and are consistent with the previous period.

The financial statements have been prepared under the historical cost convention except where otherwise stated in the accounting policies below.

The preparation of financial statements in conformity with the IFRS for SMEs Accounting Standard requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial statements, are disclosed in note 2 (b).

These consolidated financial statements comply with the requirements of the Companies Act, Cap. 486, of Kenya. The statement of profit or loss represents the profit and loss account referred to in the Act. The consolidated and company statement of financial position represents the balance sheet referred to in the Act.

Going concern

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

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

b) Key sources of estimation uncertainty and judgements

In the application of the accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Such estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

NOTES (CONTINUED)

2) Significant Accounting Policies (continued)

b) Key sources of estimation uncertainty and judgements (continued)

The directors have made the following assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- **Impairment of trade receivables** - the company reviews their portfolio of trade receivables on an annual basis. In determining whether receivables are impaired, the management makes judgement as to whether there is any evidence indicating that there is a measurable decrease in the estimated future cashflows expected.

Local receivables and other receivables are provisioned based on the below:

- 90 - 180 days 10% provision
- 180 - 365 days 50% provision
- > 365 days 100% provision
- Intercompany - nil provision

Doubtful debts that are later confirmed to be uncollectible are written off as bad debts.

- **Useful lives, depreciation methods and residual values of vehicle and equipment**

Management reviews the useful lives, depreciation methods and residual values of the items of vehicles and equipment on a regular basis. During the financial year, the management determined no significant changes in the useful lives and residual values. The carrying amounts of vehicles and equipment are disclosed in note 10.

c) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the performance of services in the ordinary course of the company's activities. Revenue is shown net of sales/value-added tax, returns, rebates and discounts and after eliminating sales within the group.

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

- i) Sales of services are recognised upon performance of the services rendered by reference to the stage of completion of the service contract; and
- ii) Interest income is accrued by reference to time in relation to the principal outstanding and the effective interest rate applicable.
- iii) Rental income is accrued by reference to time on a straight line basis with reference to the relevant agreements

d) Investment in subsidiaries/Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2025. Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies. Control is achieved when the company; has power over the investee; is exposed or has rights to, variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

The group also assesses the existence of control where it does not have the power of majority of the voting rights power but is able to govern the financial and operating policies of a subsidiary. Control may arise in certain circumstances where including the size of the group's voting rights relative to the size and dispersion of holdings of other shareholders give the group the power to govern the financial and operating policies, where potential voting rights are held by the company and rights from other contractual arrangements.

NOTES (CONTINUED)

2) Significant Accounting Policies (continued)

d) Investment in subsidiaries/Consolidation (continued)

When the company has assessed and has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of controls listed above.

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Assets, liabilities, income and expenses liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the group gains control until the date the group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the group and the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

In the company's financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses, if any.

- Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

- Disposal of subsidiaries

When the group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

e) Intangible assets

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of eight years. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category that is consistent with the function of the intangible assets.

NOTES (CONTINUED)

2) Significant Accounting Policies (continued)

f) Vehicles and equipment

All vehicles and equipment are initially recorded at cost and thereafter stated at historical cost less accumulated depreciation and any accumulated impairment losses (except as stated below). Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

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 can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated on the straight line basis on pro-rata, to write down the cost of each asset, to its residual value over its estimated useful life using the following annual rates:

	<u>Rate %</u>
Motor vehicles	25
Computers and electronic equipment	30
Furniture, fittings and equipment	12.5
Specialised racks and shelves	21.5

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.

The assets' residual values, useful lives and methods of depreciation are reviewed at the end of each reporting period and adjusted prospectively, if appropriate,.

An item of vehicle and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of vehicle and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit/loss.

g) Cash and cash equivalents

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

h) Financial assets

Trade and other receivables are initially recognised at the transaction price. Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

i) Financial liabilities

Financial liabilities are initially recognised at the transaction price (less transaction costs). Trade payables are obligations on the basis of normal credit terms and do not bear interest. Interest bearing liabilities are subsequently measured at amortised cost using the effective interest method.

NOTES (CONTINUED)

2) Significant Accounting Policies (continued)

j) Accounting for leases

The group as a lessee

Leases of assets under which a significant portion of the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

The group as a lessor

The group leases out (as an operating lease) assets that it owns. The assets are included in the statement of financial position under vehicles and equipment. The group also sub-leases a property that it leases from a third party landlord. Rental income is recognised in accordance with the rental income accounting policy.

k) Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Kenya Shillings (functional currency) at rates ruling at the transaction dates. Assets and liabilities at the reporting date which are expressed in foreign currencies are translated into Kenya Shillings (functional currency) at rates ruling at that date. The resulting differences from conversion and translation are dealt with in profit or loss in the year in which they arise.

l) Taxation

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

Current tax

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

Deferred tax

Deferred tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Offsetting

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

NOTES (CONTINUED)

2) Significant Accounting Policies (continued)

l) Taxation (continued)

Value Added Tax (VAT)

Expenses and assets are recognised net of the amount of VAT except:

- when the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- receivables and payables are stated with the amount of VAT included

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

m) Dividends

Proposed dividends are disclosed as a separate component of equity until declared.

Dividends are recognised as liabilities in the period in which they are approved by the company's shareholders.

n) Employee benefit

Retirement benefit obligations

The company operates a defined contribution staff retirement benefit scheme for its permanent and pensionable employees. The company's contributions to the defined contribution staff retirement benefit scheme are charged to profit or loss in the year to which they relate. The company has no further payment obligations once the contributions have been paid. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

For defined contribution plans, the company pays contributions to publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

The company and its employees also contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme registered under the NSSF Act. The company's contributions to the defined contribution scheme are charged to profit or loss in the year to which they relate.

Accrued leave

The estimated monetary liability for employees' accrued annual leave entitlement at the reporting date is recognised as an expense accrual.

o) Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

p) Share capital

Ordinary shares are classified as equity.

NOTES (CONTINUED)

3. Revenue	Group		Company	
	2025 Shs	2024 Shs	2025 Shs	2024 Shs
Exports	65,870,116	64,057,231	65,870,116	64,057,231
Imports	761,453,488	797,838,984	761,453,488	797,838,984
	<u>827,323,604</u>	<u>861,896,215</u>	<u>827,323,604</u>	<u>861,896,215</u>
4. Other income				
Net rental income	2,377,802	2,292,839	2,377,802	2,292,839
Miscellaneous Income	6,573,705	2,708,229	6,573,705	2,708,229
Gain on disposal of vehicles and equipment	52,380	6,465	52,380	6,465
	<u>9,003,887</u>	<u>5,007,533</u>	<u>9,003,887</u>	<u>5,007,533</u>
5. Operating loss				
The following items have been charged in arriving at operating loss:				
Depreciation of vehicles and equipment (Note 10)	5,095,992	5,772,914	5,095,992	5,772,914
Amortisation of intangible asset (Note 11)	-	24,278	-	24,278
Operating lease rentals	10,736,231	10,335,384	10,736,231	10,335,384
Auditors' remuneration	1,341,000	1,301,950	1,153,800	1,120,200
Directors' remuneration and bonus	26,166,616	29,320,684	26,166,616	29,320,684
Trade receivables - Impairment (Note 14)	5,621,535	(10,946,872)	5,621,535	(10,691,446)
Staff costs (Note 6)	<u>81,656,958</u>	<u>98,230,888</u>	<u>81,656,958</u>	<u>98,230,888</u>
6. Staff costs				
Salaries, wages and other staff costs	73,462,052	91,209,343	73,462,052	91,209,343
Post employment benefits:				
- Defined contribution scheme	6,646,038	6,208,725	6,646,038	6,208,725
- National Social Security Fund	<u>1,548,868</u>	<u>812,820</u>	<u>1,548,868</u>	<u>812,820</u>
	<u>81,656,958</u>	<u>98,230,888</u>	<u>81,656,958</u>	<u>98,230,888</u>
The average number of persons employed during the year were:				
	2025 No	2024 No	2025 No	2024 No
Operation	17	17	17	17
Sales	6	6	6	6
Management and administration	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
Total	<u>33</u>	<u>33</u>	<u>33</u>	<u>33</u>

NOTES (CONTINUED)

7. Finance cost	Group		Company	
	2025 Shs	2024 Shs	2025 Shs	2024 Shs
Interest expense	<u>2,138,219</u>	<u>-</u>	<u>2,138,219</u>	<u>-</u>

8. Tax

Current tax	782,008	687,852	713,341	687,852
Deferred tax credit (Note 12)	(1,121,746)	(2,215,987)	(1,121,746)	(2,215,987)
Overprovision in prior years on:				
- current tax	-	(2,092,818)	-	(2,092,818)
- deferred tax (Note 12)	<u>-</u>	<u>(2,581,140)</u>	<u>-</u>	<u>(2,581,140)</u>
Tax charge/(credit)	<u>(339,738)</u>	<u>(6,202,093)</u>	<u>(408,405)</u>	<u>(6,202,093)</u>

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

	Group		Company	
	2025 Shs	2024 Shs	2025 Shs	2024 Shs
Loss before tax	<u>(2,456,275)</u>	<u>(5,945,677)</u>	<u>(2,742,459)</u>	<u>(6,256,200)</u>
Tax calculated at a tax rate of 30% (2024: 30%)	(736,881)	(1,783,703)	(822,737)	(1,876,860)
Tax effect of:				
- expenses not deductible for tax purposes	414,333	348,725	414,333	348,725
Overprovision in prior years on:				
- current tax	-	(2,092,818)	-	(2,092,818)
- deferred tax	<u>-</u>	<u>(2,581,140)</u>	<u>-</u>	<u>(2,581,140)</u>
Deferred tax asset not recognised	<u>(17,189)</u>	<u>(93,157)</u>	<u>-</u>	<u>-</u>
Tax charge(credit)	<u>(339,737)</u>	<u>(6,202,093)</u>	<u>(408,404)</u>	<u>(6,202,093)</u>

9. Share capital

	Group		Company	
	2025 Shs	2024 Shs	2025 Shs	2024 Shs
Authorised:				
1,500 (2024: 1,500) ordinary shares of Shs 5,000 each	<u>7,500,000</u>	<u>7,500,000</u>	<u>7,500,000</u>	<u>7,500,000</u>
Issued and fully paid:				
800 (2024: 800) ordinary shares of Shs 5,000 each	<u>4,000,000</u>	<u>4,000,000</u>	<u>4,000,000</u>	<u>4,000,000</u>

NOTES (CONTINUED)

10. Vehicles and equipment - Group and Company

The Group and the Company

	Motor vehicles Shs	Computers and electronic equipment Shs	Furniture, fittings and equipment Shs	Specialised racks and shelves Shs	Total Shs
Cost					
At start of year	7,803,534	11,565,495	10,251,871	32,090,962	61,711,862
Additions	1,800,000	227,500	-	-	2,027,500
Disposals	-	(194,500)	-	-	(194,500)
At end of year	<u>9,603,534</u>	<u>11,598,495</u>	<u>10,251,871</u>	<u>32,090,962</u>	<u>63,544,862</u>
Accumulated depreciation					
At start of year	6,074,117	10,438,431	8,445,293	25,229,779	50,187,620
Disposals	-	(156,880)	-	-	(156,880)
Charge for the year	<u>928,895</u>	<u>636,538</u>	<u>472,770</u>	<u>3,057,788</u>	<u>5,095,992</u>
At end of year	<u>7,003,012</u>	<u>10,918,089</u>	<u>8,918,063</u>	<u>28,287,567</u>	<u>55,126,732</u>
Net carrying amount					
As at 31 December 2025	<u>2,600,522</u>	<u>680,406</u>	<u>1,333,808</u>	<u>3,803,395</u>	<u>8,418,130</u>
As at 31 December 2024	<u>1,729,417</u>	<u>1,127,064</u>	<u>1,806,578</u>	<u>6,861,183</u>	<u>11,524,242</u>

Depreciation expense has been charged in profit or loss under other operating expenses.

11. Intangible assets

	Group and Company	
	2024 Shs	2023 Shs
Cost		
At start and end of year	<u>185,000</u>	<u>185,000</u>
Accumulated amortization		
At start of year	185,000	160,722
Charge for the year	<u>-</u>	<u>24,278</u>
At end of year	<u>185,000</u>	<u>185,000</u>
Net carrying amount	<u>-</u>	<u>-</u>

Intangible asset was fully amortized in 2024. Therefore, no amortization has been recognised in profit or loss in the current year.

12. Deferred tax

Deferred tax is calculated, in full, on all temporary timing differences under the liability method using a principal tax rate of 30% (2024: 30%). The movement on the deferred tax account is as follows:

	Group		Company	
	Shs 2025	Shs 2024	Shs 2025	Shs 2024
At start of year	(16,363,395)	(11,566,268)	(16,363,395)	(11,566,268)
Credit to profit or loss (Note 8)	(1,121,746)	(2,215,987)	(1,121,746)	(2,215,987)
Overprovision in prior year (Note 8)	-	(2,581,140)	-	(2,581,140)
At end of year	(17,485,142)	(16,363,395)	(17,485,142)	(16,363,395)

Deferred tax is attributable to the following items:

		Origination and reversal of temporary differences	
	At start of year Shs	(Credit)/charge to profit or loss Shs	At end of year Shs
The Group			
Deferred tax liability			
Vehicles and equipments	(3,048,006)	(45,575)	(3,093,581)
Deferred tax assets			
Tax losses	(3,104,131)	1,182,838	(1,921,293)
Provisions	(10,233,070)	(787,940)	(11,021,010)
Unrealised exchange differences	21,812	(1,488,258)	(1,466,446)
	(13,548,226)	(1,093,360)	(14,641,586)
Deferred tax asset derecognised	232,837	17,189	250,026
Net deferred tax asset	(16,363,395)	(1,121,746)	(17,485,141)

NOTES (CONTINUED)

12. Deferred tax (continued)

Deferred tax assets on tax losses carried forward are only recognised to the extent of certainty of availability of sufficient future taxable profits to utilise such losses against. Deferred tax assets amounting to Shs 250,026 in respect of tax losses carried forward in the subsidiary that can be carried forward against future taxable profits have been derecognised.

	At start of year Shs	Origination and reversal of temporary differences (Credit)/charge to profit or loss Shs	At end of year Shs
The Company			
Deferred tax liability			
Vehicles and equipment	(3,048,006)	(45,575)	(3,093,581)
Deferred tax assets			
Tax losses	(3,104,131)	1,200,027	(1,904,104)
Provisions	(10,233,070)	(787,940)	(11,021,010)
Unrealised exchange differences	21,812	(1,488,258)	(1,466,446)
	(13,315,389)	(1,076,171)	(14,391,560)
Net deferred tax asset	<u>(16,363,395)</u>	<u>(1,121,746)</u>	<u>(17,485,141)</u>

13. Investment in subsidiary

	2025 Shs	2024 Shs
999 (2024: 999) ordinary shares of Ecu Shipping Logistics (K) Limited of Shs 1,000 each	<u>999,000</u>	<u>999,000</u>

The subsidiary is incorporated in Kenya. The proportion of the voting rights in the subsidiary undertaking held directly by the parent company does not differ from the proportion of ordinary shares held.

14. Trade and other receivables

	Group		Company	
	2025 Shs	2024 Shs	2025 Shs	2024 Shs
Trade receivables	96,297,284	96,405,922	96,297,284	96,405,922
Less: impairment provisions	(16,312,982)	(10,691,446)	(16,312,982)	(10,691,446)
Net trade receivables	79,984,303	85,714,476	79,984,303	85,714,476
Advances to suppliers	74,955	2,369,602	74,955	2,369,602
Prepayments and other deposits	12,523,331	12,271,872	12,523,331	12,271,872
Other receivables	7,730,814	11,742,802	7,730,814	11,742,802
Container deposits	5,407,531	4,647,691	5,407,531	4,647,691
Receivable from related parties (Note 17 (iv))	46,550,650	21,363,661	46,597,050	21,410,061
	<u>152,271,584</u>	<u>138,110,104</u>	<u>152,317,984</u>	<u>138,156,504</u>

NOTES (CONTINUED)

14. Trade and other receivables

	Group		Company	
	2025 Shs	2024 Shs	2025 Shs	2024 Shs
Movement in impairment provisions				
At start of year	10,691,446	21,638,318	10,691,446	21,638,318
Recoveries	(3,294,967)	(2,691,163)	(3,294,967)	(2,691,163)
Additions	8,996,420	3,534,057	8,996,420	3,534,057
Bad debts write off	(79,917)	(51,757)	(79,917)	(51,757)
Specific debtor write off	-	(11,738,009)	-	(11,738,009)
At end of year	<u>16,312,982</u>	<u>10,691,446</u>	<u>16,312,982</u>	<u>10,691,446</u>

15. Cash and cash equivalents

Cash at bank and in hand	<u>31,232,493</u>	<u>34,754,208</u>	<u>30,248,506</u>	<u>34,038,502</u>
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For the purpose of the statement of cash flows, the year end cash and cash equivalents comprise the above balances.

16. Trade and other payables

	Group		Company	
	2025 Shs	2024 Shs	2025 Shs	2024 Shs
Trade payables	49,900,001	29,105,218	49,900,001	29,105,218
Accruals and deferred income	120,535,722	96,243,354	120,175,195	95,897,324
Payable to related parties (Note 17 (iv))	<u>13,325,981</u>	<u>86,207,443</u>	<u>13,421,981</u>	<u>86,339,443</u>
	<u>183,761,704</u>	<u>211,556,015</u>	<u>183,497,177</u>	<u>211,341,985</u>

17. Related party transactions and balances

The company is controlled by Ecuhold NV incorporated in Belgium, which owns 100% of the company's shares. The ultimate parent company is AllCargo Global Logistics Limited (incorporated in India).

The following transactions were carried out with related parties which are related by virtue of being part of the AllCargo Group.

i) Provision of services

	Group		Company	
	2025 Shs	2024 Shs	2025 Shs	2024 Shs
Other related parties	<u>119,018,993</u>	<u>144,538,824</u>	<u>119,018,993</u>	<u>145,634,635</u>

ii) Purchase of services

Other related parties	<u>166,043,903</u>	<u>203,267,834</u>	<u>167,192,178</u>	<u>204,776,434</u>
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iii) Directors' benefits and other remuneration

- Salaries	26,166,617	29,320,684	26,166,617	29,320,684
- Non-cash benefits	4,752,993	5,350,302	4,752,993	5,350,302
- Post employment benefits	<u>49,680</u>	<u>49,680</u>	<u>49,680</u>	<u>49,680</u>
	<u>30,969,290</u>	<u>34,720,666</u>	<u>30,969,290</u>	<u>34,720,666</u>

The above comprises key management compensation

NOTES (CONTINUED)

17. Related party transactions and balances (continued)	Group		Company	
	2025 Shs	2024 Shs	2025 Shs	2024 Shs
iv) Outstanding balances arising from trading transactions				
Receivable from related parties (Note 14)	<u>46,550,650</u>	<u>21,363,661</u>	<u>46,597,050</u>	<u>21,410,061</u>
Payable to related parties (Note 16)	<u>13,325,981</u>	<u>86,207,443</u>	<u>13,421,981</u>	<u>73,619,034</u>
Receivables from related parties can be analysed as follows:				
Subsidiary	-	-	46,400	46,400
Other related parties	<u>46,550,650</u>	<u>21,363,661</u>	<u>46,550,650</u>	<u>21,363,661</u>
	<u>46,550,650</u>	<u>21,363,661</u>	<u>46,597,050</u>	<u>21,410,061</u>
Payable to related parties can be analysed as follows:				
Parent	2,146,567	8,456	2,146,567	8,456
Subsidiary	-	-	96,000	132,000
Other related parties	<u>11,179,414</u>	<u>86,198,987</u>	<u>11,179,414</u>	<u>86,198,987</u>
	<u>13,325,981</u>	<u>86,207,443</u>	<u>13,421,981</u>	<u>86,339,443</u>
The receivables from/payables to related parties are interest free, unsecured and have no specific dates of repayment.				
Long-term loan payable to related party analysed as follows:				
Parent:				
Initial loan	51,600,000	-	51,600,000	-
Repayment	<u>(12,692,365)</u>	<u>-</u>	<u>(12,692,365)</u>	<u>-</u>
	<u>38,907,635</u>	<u>-</u>	<u>38,907,635</u>	<u>-</u>

The long term loan payable to related party is interest-bearing, unsecured and not repayable within the next 12 months of the reporting date. The loan bears an annual interest rate of 5.5%.

NOTES (CONTINUED)

18. Commitments

Operating lease commitments - as a lessee

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

	Group		Company	
	2025	2024	2025	2024
	Shs	Shs	Shs	Shs
Not later than 1 year	7,316,470	6,964,856	7,316,470	6,964,856
Later than 1 year and not later than	15,809,015	23,125,485	15,809,015	23,125,485
	<u>23,125,485</u>	<u>30,090,341</u>	<u>23,125,485</u>	<u>30,090,341</u>

The group and company leases various properties under non-cancellable operating lease agreements. The lease terms are between 5 to 6 years and these are generally renewable at the end of the tenure of the lease.

19. Presentation currency

These financial statements are presented in Kenya Shillings (Shs).

CONSOLIDATED SCHEDULE OF EXPENDITURE

1. ADMINISTRATIVE EXPENSES	2025 Shs	2024 Shs
Employment:		
Salaries and wages	58,882,837	73,173,326
Staff training and welfare	6,501,630	8,526,774
Pension scheme contribution - defined	6,646,038	6,208,725
NSSF contributions	1,548,868	812,820
Commissions and incentives	5,154,193	5,688,073
Staff work permit	1,172,162	1,076,357
Total employment costs	79,905,728	95,486,075
Other administrative expenses:		
Directors' remuneration	15,699,969	17,592,411
Internet, postages and telephone expenses	1,984,798	3,342,783
Entertainment	411,352	98,951
Travelling	4,098,842	5,655,758
Vehicle running expenses	3,213,417	3,348,375
Printing and stationery	1,549,871	1,217,199
Audit fees	1,341,000	1,301,950
Legal and professional fees	2,216,029	5,127,842
Management expenses	32,675,334	34,146,069
Advertising expenses	571,830	85,840
Subscriptions	1,360,492	1,505,463
Bank charges	1,658,405	2,112,487
Office expenses	1,125,347	993,059
Computer expense	7,537,322	7,454,447
Miscellaneous expense	427,649	512,144
Fines and penalties		
-Overprovision in prior year	(3,782,794)	(470,000)
Bad debts written off	79,913	51,757
Specific debtor written off	-	11,738,009
Increase/(decrease) in impairment provision - trade receivables	5,621,535	(10,946,872)
Stamp duty	-	78,000
Total other administration expenses	77,790,311	84,945,672
Total administrative expenses	157,696,039	180,431,747
2. OTHER OPERATING EXPENSES		
Establishment:		
Rent	10,736,231	10,335,384
Electricity and water	1,088,765	1,106,024
Repairs and maintenance	690,749	726,845
Insurance	1,473,283	1,114,148
Licences	496,002	477,912
Unrealised exchange loss/(gain)	4,888,154	(72,705)
Realised exchange loss	8,488,041	16,300,947
Depreciation of vehicles and equipment	5,095,992	5,772,914
Amortisation of intangible assets	-	24,278
Total other operating expenses	32,957,217	35,785,747

COMPANY SCHEDULE OF EXPENDITURE

1. ADMINISTRATIVE EXPENSES	2025 Shs	2024 Shs
Employment:		
Salaries and wages	58,882,837	73,173,326
Staff training and welfare	6,501,630	8,526,774
Pension scheme contribution - defined	6,646,038	6,208,725
NSSF contributions	1,548,868	812,820
Commissions and incentives	5,154,193	5,688,073
Staff work permit	1,172,162	1,076,357
Total employment costs	79,905,728	95,486,075
Other administrative expenses:		
Directors' remuneration	15,699,969	17,592,411
Internet, postages and telephone expenses	1,984,798	3,342,783
Entertainment	411,352	98,951
Travelling	4,098,842	5,655,758
Vehicle running expenses	3,213,417	3,348,375
Printing and stationery	1,520,621	1,188,199
Audit fees	1,153,800	1,120,200
Legal and professional fees	2,083,180	4,992,842
Management expenses	32,118,534	33,589,269
Advertising expenses	571,830	85,840
Subscriptions	1,360,492	1,505,463
Bank charges	1,654,898	2,109,314
Office expenses	1,125,347	993,059
Computer expense	7,537,322	7,454,447
Miscellaneous expense	367,761	456,824
Fines and penalties		
-Overprovision in prior year	(3,782,794)	(470,000)
Bad debts written off	79,913	51,757
Specific debtor written off	-	11,738,009
(Decrease)/Increase in impairment provision - trade receivables	5,621,535	(10,946,872)
Stamp duty	-	78,000
Total other administration expenses	76,820,817	83,984,629
Total administrative expenses	156,726,545	179,470,704
2. OTHER OPERATING EXPENSES		
Establishment:		
Rent	10,736,231	10,335,384
Electricity and water	1,088,765	1,106,024
Repairs and maintenance	690,749	726,845
Insurance	1,473,283	1,114,148
Licences	419,680	411,478
Unrealised exchange loss/(gain)	4,888,154	(72,705)
Realised exchange loss	8,488,041	16,300,947
Depreciation of vehicles and equipment	5,095,992	5,772,914
Amortisation of intangible assets	-	24,278
Total other operating expenses	32,880,895	35,719,313

Ecu Worldwide (Kenya) Limited
Annual report and consolidated financial statements
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SCHEDULE OF NET RENTAL INCOME

	2025 Shs	2024 Shs
Gross rental income	<u>21,357,564</u>	<u>22,409,754</u>
Less:		
Electricity and water	170,200	182,608
Rental expenses	3,276,447	3,202,096
Internet	57,485	52,694
Security, alarms and fire services	626,338	724,138
Employment costs - Casuals	1,778,646	1,894,145
Other expenses	595,236	220,392
Provision for profit share to parent	1,188,178	1,261,902
Reallocation of supervisor salary against rental income	820,584	850,668
Directors salary directly attributable to warehouse operations	<u>10,466,647</u>	<u>11,728,273</u>
	<u>18,979,761</u>	<u>20,116,915</u>
Net rental income	<u><u>2,377,803</u></u>	<u><u>2,292,839</u></u>