

*CONTINENTAL WORLDWIDE SHIPPING
SERVICE L.L.C*

AUDIT REPORT AND ANNUAL FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER, 2023

CONTINENTAL WORLDWIDE SHIPPING SERVICE L.L.C

Dubai, United Arab Emirates

Financial Statements and Independent Auditor's Report for the Period Ended 31 December, 2023

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CONTINENTAL WORLDWIDE SHIPPING SERVICE L.L.C

COMPANY INFORMATION

Principal Business

Continental Worldwide Shipping Service L.L.C is a Limited Liability Company- Single Owner registered on 12 December 2022 under Economy and Tourism, Government of Dubai, United Arab Emirates.

License Details

Trading License No. 1099552, Register No. 1801108

Licensing Activities

Land Transport Agent

Air Cargo Agent

Sea Shipping Lines Agents

Customs Broker

Shipping Containers Loading and Unloading Services

Shareholder

M/s. Continental Shipping and Consulting PTE LTD

Management

Mr. Syed Mahamutha Sahana Santhu Musfar Gani

Mr. Manikandan Kuttappan Kuttappan

Share Capital

AED 300,000/- , 300 Shares of AED 1000 Each.

Banker

Mashreq Bank Dubai

Registered Address

Office No. 963

Burjuman Business Towers, Sheikh Zayed road

P.O.box: 44840

Dubai, U.A.E

Auditors

Hallmark International Auditing of Accounts L.L.C

License No. 719686

Dubai, U.A.E.

Telephone: +971 4 259 9055

Email : info@hallmarkauditors.com

CONTINENTAL WORLDWIDE SHIPPING SERVICE L.L.C

Dubai, United Arab Emirates

DIRECTOR'S REPORT

The management is pleased to present their report on the business and operations of the Company together with the Audited Financial Statements for the period ended on 31 December, 2023.

Principal Activities and Address

The activities of the company as per the Commercial License are " Land Transport Agent, Air Cargo Agent, Sea Shipping Lines Agents, Customer Broker, Shipping Containers Loading & Unloading Services". The registered office of the company is located at office no.963, Burjuman Business Towers, Sheikh Zaued Road, Dubai, U.A.E.

Performance

During the period, the company had earned a revenue of AED 988,474/- and Net Loss during the period was AED 164,446/-.

Events subsequent to the balance sheet date

There were no major events which occurred since the period end that materially affect the financial position of the Company.

Managements' Responsibilities and Approval

The management is required to maintain adequate accounting records and are responsible for the content and integrity of the audited financial statements and related financial information included in this report. It is their responsibility to ensure that the audited financial statements satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the entity, and explain the transactions and financial position of the business of the entity at the end of the financial year. The audited financial statements are based upon appropriate accounting policies consistently applied throughout the entity and supported by reasonable and prudent judgements and estimates.

The management acknowledges that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the managements to meet these responsibilities, the managements set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

CONTINENTAL WORLDWIDE SHIPPING SERVICE L.L.C

Dubai, United Arab Emirates

DIRECTOR'S REPORT (Continued)

Managements' Responsibilities and Approval (Continued)

The management is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the audited financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the managements have no reason to believe that the entity will not be a going concern in the foreseeable future. The audited financial statements support the viability of the entity.

The external auditors are responsible for independently auditing and reporting on the entity's audited financial statements. The audited financial statements have been examined by the entity's external auditors and their unqualified audit report is presented on pages 4 to 6.

Auditors

The financial statements have been audited by Hallmark International Auditing of Accounts L.L.C who retire and, being eligible, offer themselves for re-appointment.

Acknowledgement

The Company takes this opportunity to place on record their gratitude to the various government departments, banks, professionals and business associates for their continued assistance and support extended to the entity. The Company also wish to express their appreciation to the employees at all levels for their hard work, dedication & commitment.

For CONTINENTAL WORLDWIDE SHIPPING SERVICE L.L.C

Mr. Manikandan Kuttappan Kuttappan

Manager

Date: 23 March, 2024

The Management,
Continental Worldwide Shipping Service L.L.C,
Dubai, United Arab Emirates.

INDEPENDENT AUDITOR'S REPORT

Report on the audit of the financial statements of Continental Worldwide Shipping Service L.L.C for the period ended 31 December, 2023.

OPINION:

We have audited the accompanying financial statements of Continental Worldwide Shipping Service L.L.C ("the Company"), Dubai, UAE, which comprises the Statement of Financial Position as at **31 December 2023**, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period then ended, and Notes to the Financial Statements, including a Summary of Significant Accounting Policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at **31 December 2023** and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRS) for Small and Medium Sized Entities.

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 (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Company's financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities requirements in accordance with these requirements and IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF THE MANAGEMENT FOR THE FINANCIAL STATEMENTS:

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and compliance with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, and for such internal control 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.

INDEPENDENT AUDITOR'S REPORT

(Continued)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS:

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, 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 the 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 Company's internal control.
- 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. 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 cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

Continued...

INDEPENDENT AUDITOR'S REPORT

(Continued)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED):

We communicate with management 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 LEGAL AND REGULATORY REQUIREMENTS:

As required by the Federal Decree Law No. (32) of 2021, we report that:

1. We have obtained all the information and explanations we considered necessary for the purposes of our audit;
2. The Company has maintained proper books of account;

Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened, during the financial period ended December 31, 2023, any of the applicable provisions of the Federal Decree Law No. (32) of 2021 which would materially affect its activities or its financial position as at December 31, 2023.

Hallmark International Auditors



Professional License No. 719686
Auditor's Registration Number: 5530
Dubai, UAE

Date: 23 March, 2024

CONTINENTAL WORLDWIDE SHIPPING SERVICE L.L.C

Statement of Financial Position

As at December 31, 2023

	Note	31-Dec-23 AED
ASSETS		
Non Current Assets		
Property, Plant and Equipment	5	5,172
		<u>5,172</u>
Current Assets		
Deposits, Advances & Prepayments	6	16,789
Accounts and Other Receivables	7	243,188
Cash and Cash Equivalents	8	212,548
		<u>472,525</u>
TOTAL ASSETS		<u><u>477,697</u></u>
SHAREHOLDER'S FUND		
Shareholder's Equity		
Share Capital	9	300,000
Accumulated (Losses)		(164,446)
Shareholder's Current Account		129,573
		<u>265,127</u>
LIABILITIES		
Non Current Liabilities		
Employee's End of Service Benefits	10	4,557
		<u>4,557</u>
Current Liabilities		
Trade and Other Payables	11	208,013
		<u>208,013</u>
TOTAL EQUITY AND LIABILITIES		<u><u>477,697</u></u>

The annexed notes form an integral part of these financial statements.

For CONTINENTAL WORLDWIDE SHIPPING SERVICE L.L.C

S.m Syed mahamudha Sahana
Authorized Signatory



CONTINENTAL WORLDWIDE SHIPPING SERVICE L.L.C

Statement of Profit or Loss and Other Comprehensive Income For the period from 12 December, 2022 to 31 December, 2023

	Note	12 December 2022 to 31 December 2023
		AED
Revenue	12	988,474
Cost of Revenue	13	(855,370)
Gross Profit		133,104
General & Administrative Expenses	14	(300,229)
Depreciation	5	(1,257)
Foreign Exchange Gain		3,936
Net (Loss) for the period		(164,446)
Other Comprehensive Income/ (Loss)		-
Total Comprehensive (Loss) for the period		(164,446)

The annexed notes form an integral part of these financial statements.

For CONTINENTAL WORLDWIDE SHIPPING SERVICE L.L.C

S.m. Syed mahammud Sahana
Authorized Signatory



CONTINENTAL WORLDWIDE SHIPPING SERVICE L.L.C

Statement of Changes in Equity

For the period from 12 December, 2022 to 31 December, 2023

	Share Capital	Accumulated (Losses)	Shareholder's Current Account	Total
	AED	AED	AED	AED
Share Capital Introduced	300,000	-	-	300,000
Net movements during the period	-	-	129,573	129,573
(Loss) for the period	-	(164,446)	-	(164,446)
As at 31 December, 2023	300,000	(164,446)	129,573	265,127

The annexed notes form an integral part of these financial statements.

For CONTINENTAL WORLDWIDE SHIPPING SERVICE L.L.C

S.M Syed mahamutha sahana
Authorized Signatory



CONTINENTAL WORLDWIDE SHIPPING SERVICE L.L.C

Statement of Cash Flows

For the period from 12 December, 2022 to 31 December, 2023

	Note	12 December 2022 to 31 December 2023 AED
OPERATING ACTIVITIES		
Net (Loss) for the period		(164,446)
Adjustment for:		
Depreciation	5	1,257
Provision for EOS	10	4,557
<i>Operating (loss) before working capital changes</i>		<u>(158,632)</u>
<i>Changes in working capital</i>		
(Increase) in Deposits, Advances & Prepayments	6	(16,789)
(Increase) in Accounts and Other Receivables	7	(243,188)
Increase in Trade and Other Payables	11	208,013
Net cash flows (used in) Operating Activities(A)		<u>(210,596)</u>
INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	5	(6,429)
Net cash flows (used) in Investing Activities(B)		<u>(6,429)</u>
FINANCING ACTIVITIES		
Share Capital Introduced	9	300,000
Net movements in Shareholder's Current Account		129,573
Net cash flows from Financing Activities(C)		<u>429,573</u>
Increase in Cash and Cash Equivalents (A+B+C)		<u>212,548</u>
Cash and cash equivalents at the beginning of the period	8	-
Cash and Cash Equivalents at the end of the period	8	<u>212,548</u>

The annexed notes form an integral part of these financial statements.

For CONTINENTAL WORLDWIDE SHIPPING SERVICE L.L.C

S. M. Syed mahamudhasahana
Authorized Signatory



CONTINENTAL WORLDWIDE SHIPPING SERVICE L.L.C

Notes to the Financial Statements for the period from 12 December, 2022 to 31 December, 2023

These financial statements have been prepared for the period from 12 December 2022, to 31 December, 2023.

1 LEGAL STATUS, ACTIVITIES AND MANAGEMENT

1.1 Legal Status

Continental Worldwide Shipping Service L.L.C is a Limited Liability Company registered on 12 December 2022, with the Department of Economy and Tourism, Government of Dubai, United Arab Emirates, vide License number: 1099552.

1.2 Activities & Address

The Licensing Activities of the Company are Land Transport Agent, Air Cargo Agent, Sea Shipping Lines Agents, Customer Broker, Shipping Containers Loading & Unloading Services. The registered office of the company is at Office No. 963, Burjuman Business Towers, P.O.box: 44840, Sheikh Zayed road Dubai, United Arab Emirates.

1.3 Management

Mr. Syed Mahamutha Sahana Santhu Musfar Gani, Indian National and Mr. Manikandan Kuttappan Kuttappan, Indian National, are served as the managers throughout the period.

1.4 Share Capital

The authorized, issued and paid up share capital of the company is AED 300,000/- divided into 300 shares of AED 1,000/- each.

Name of Shareholder	Company based in	No. of Shares	% of Shareholding	Value in AED
M/s. Continental Shipping and Consulting PTE LTD	Singapore	300	100%	300,000
		300	100%	300,000

2 Adoption of new and revised International Financial Reporting Standards and Interpretations

2.1 New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

At the date of authorization of these financial statements for the period ended 31 December 2023, the following IFRSs were adopted:

IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)

The Company has adopted IFRS 17 and the related amendments for the first time in the current year. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17) (Continued)

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

The Company does not have any contracts that meet the definition of an insurance contract under IFRS 17.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements – Disclosure of Accounting Policies:-

The Company has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

Amendments to IAS 12 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction:

The Company has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates

The Company has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.

Application of the above standards did not impact these audited financial statements.

Notes to the Financial Statements for the period from 12 December, 2022 to 31 December, 2023

2.2 New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorization of these financial statements, the company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective.

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

Amendments to IAS 1 Classification of Liabilities as Current or Non-current

Amendments to IAS 1 Non-current Liabilities with Covenants

Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements

Amendments to IFRS 16 Lease Liability in a Sale and Leaseback

3 Basis of Presentation and Significant Accounting Policies

The audited financial statements of the Company have been prepared in accordance with International Financial Reporting Standards. The audited financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with International Financial Reporting Standards 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the audited financial statements are disclosed in note 4.

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

3.1 Foreign currency translation

Functional and presentation currencies

The financial statements have been presented in United Arab Emirates Dirham. The functional and reporting currency of the Company is U.A.E. Dirhams ("AED").

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other (losses)/gains - net'.

CONTINENTAL WORLDWIDE SHIPPING SERVICE L.L.C

Notes to the Financial Statements for the period from 12 December, 2022 to 31 December, 2023

3.2 Property, Plant and Equipment

Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes the expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized 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.

The carrying amount of the replaced part is derecognized. All other repairs and maintenance costs are recognized in the income statement during the financial period in which they are incurred.

The measurement base, useful life or depreciation rate as well as the depreciation method for all major classes of assets are as follows:

Asset Class	Rate of Depreciation	Depreciation method
Office Equipment	33.33%	Straight Line Method
Computer Software	33.33%	Straight Line Method

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. At each balance sheet date, assets are also assessed for indicators of impairment. In the event that an asset's carrying amount is determined to be greater than its recoverable amount, the asset is written down immediately to the recoverable amount.

3.3 Impairment of Non-Financial Assets

Assets that have an indefinite useful life, for example, goodwill or intangible assets not ready to use, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization/depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell, and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels, for which there are mostly independent cash inflows (cash generating units). Prior impairments of non financial assets (other than goodwill) are reviewed for a possible reversal on each reporting date.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax 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, recent market transactions are taken into account. If no such truncations can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies and other available fair value indicators.

Notes to the Financial Statements for the period from 12 December, 2022 to 31 December, 2023

3.3 Impairment of Non-Financial Assets (Continued)

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGU's to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of one to five years. For more extended periods, a long term growth rate is calculated and applied to projected future cash flows after the fifth year.

Impairment losses are recognized in the income statement in expense categories consistent with the function of the impaired asset, except for assets previously revalued with the revaluation taken to other comprehensive income. For such assets, the impairment is recognized in other comprehensive income up to the amount of any previous revaluation.

3.4 Financial Instruments

Financial assets and financial liabilities recognized when the Company becomes party to the contractual provisions of the Instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisitions of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Classification of Financial Assets

1. Financial Assets at Amortized Cost:

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

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

The Company's financial assets measured at amortized cost consist of Deposits, accounts and other receivables and cash and cash equivalents.

Financial Assets at Fair Value through other Comprehensive Income (FVTOCI):

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held with a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has no financial assets at FVTOCI.

2. Financial Assets at Fair Value through Profit and Loss Account (FVTPL):

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). Despite the preceding, the Company may take the following irrevocable election/designation at initial recognition of a financial assets:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if specific criteria are met; and

Notes to the Financial Statements for the period from 12 December, 2022 to 31 December, 2023

2. Financial Assets at Fair Value through Profit and Loss Account (FVTPL): (Continued)

- the Company may irrevocably designate a debt investment that meet the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

The Company has no financial assets at FVTPL.

3. Amortized Cost and Effective Interest Method

The effective interest method is a method of calculating the optimized cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal payments, plus the cumulative amortization using the effective interest method of any difference between that any initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

4. Impairment of Financial Assets

The Company recognizes a loss allowance or expected credit losses on accounts and other receivables. The amount of expected credit losses is updated at each reporting date to effect changes in credit risk since initial recognition of the respective financial instrument.

The Company recognizes lifetime ECL for accounts and other receivables, and related party balances. The expected credit loss on these financial assets are estimated based on the Company's historical credit loss experience of the debtor, adjusted factors that are specific to the debtors, general economic conditions and assessment of both the current as well as the forecast direction of the conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognized based on significant increase in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12- month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Investments in Equity instruments are designated as investments at FVTPL and FVTOCI are not subject to impairment.

Notes to the Financial Statements for the period from 12 December, 2022 to 31 December, 2023

5. Significant Increase in Credit Risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic experts reports, and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relates to the Company's core operations.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if :

- the financial instrument has a low risk of default;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.
- the Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying a significant increase in credit risk before the amount becomes past due.

6. Definition of Default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable;

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full.
- irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 30 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

7. Credit Impaired Financial Assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial assets have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- the significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; it is becoming probable the borrower will enter bankruptcy or other financial recognition; or
- the disappearance of an effective market for that financial asset because of financial difficulties.

Notes to the Financial Statements for the period from 12 December, 2022 to 31 December, 2023

8. Write Off Policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

9. Measurement and Recognition of Expected Credit Losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expect to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

10. De-recognition of Financial Assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial assets and subsequently all the risks and rewards of ownership of the assets to another entity. If the Company neither transfers nor retains all the risks and rewards of ownership subsequently and continues to control the transferred assets, the Company recognizes its retained interest in the asset and an associate liability for amounts it may have to pay. If the Company retains all the risks and rewards of ownership of a transferred financial asset subsequently, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the assets carrying amount and sum of the consideration received and receivable is recognized in profit or loss.

11. Financial Liabilities and Equity Instruments

Classification as Debt or Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

Equity Instruments

An Equity Instruments is any contract that evidence a residual interest in the asset of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received net of direct issue cost.

Notes to the Financial Statements for the period from 12 December, 2022 to 31 December, 2023

Financial Liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Company, are measured in accordance with the specific accounting policies set out below:

Financial Liabilities measured Subsequently at Amortized Cost

Financial liabilities that are not:

- contingent consideration of acquirer in a business combination,
- held-for-trading, or,
- designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of financial liability.

The Company's financial liabilities measured at amortized cost include accounts and other payables.

Derecognition of Financial Liabilities

The Company derecognizes a financial liabilities when , and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

3.5 Current and Non- Current Classification

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

An asset is current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle.
- held primarily for the purpose of trading.
- expected to be realized within 12 months after the reporting period.
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

Notes to the Financial Statements for the period from 12 December, 2022 to 31 December, 2023

3.5 Current and Non- Current Classification (Continued)

A liability is current when:

- it is expected to be settled in normal operating cycle.
- it is held primarily for the purpose of trading.
- it is due to be settled within 12 months after the reporting period.
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Company classifies all other liabilities as non-current.

3.6 Revenue Recognition

Revenue is recognized to the extent that the economic benefits will probably flow to the entity and can be reliably measured, regardless of when the payment is being made. Revenue is measured at their fair value of the consideration received or receivable, taking into account the contractually defined terms of payment and excluding discounts, rebates, returns, price adjustments and other transaction taxes or duties. The following specific criteria must also be met before revenue is recognized:

Revenue from contracts with customers

IFRS 15 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several Standards and Interpretations within IFRSs. It establishes a new five-step model that will apply to revenue arising from contracts with customers.

- | | |
|--------|---|
| Step 1 | Identify the contract with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations. |
| Step 2 | Identify the performance obligations in the contract; A performance obligation in a contract is a promise to transfer a good or service to the customer. |
| Step 3 | Determine the transaction price; Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods and services to a customer, excluding amounts collected on behalf of third parties. |
| Step 4 | Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation. |
| Step 5 | Recognize revenue as and when the Company satisfies a performance obligation. |

Notes to the Financial Statements for the period from 12 December, 2022 to 31 December, 2023

3.6 Revenue Recognition (Continued)

The Company recognizes revenue over time if any one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance obligation completed to date.

In cases where the Company determined the performance obligations are satisfied at a point in time, revenue is recognized when control over the assets is transferred to the customer.

When the Company satisfies a performance obligation by delivering the promised goods and services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized, this gives rise to a contract liability.

Revenue is measured at the fair value of consideration received or receivable, taking into account the contractually agreed terms of payment excluding taxes and duties. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent and has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue from services

The Company is providing Land Transport Agent, Air Cargo Agent, Sea Shipping Lines Agents, Customer Broker, Shipping Containers Loading & Unloading Services and revenue against such services is recognized at a point in time upon completion and satisfies the performance obligation in line with the terms of contract with the customers.

3.7 Direct Expenses

Direct expenses include direct operating expenses incurred in generating the revenue. Expenses that are not immediately attributable to the generating of revenue are not included in the gross profit as reported. Direct expenses are recognized over the term that the associated revenue is recognized.

3.8 Trade and other receivables

Trade receivables are measured at initial recognition at fair value plus transaction costs. They are subsequently measured at amortized cost using the effective interest rate method, less allowance for expected credit losses. For trade receivables and contract assets, a simplified approach is applied in calculating expected credit losses. Instead of tracking changes in credit risk, a loss allowance is recognized based on lifetime expected credit losses at each reporting date. A provision matrix was established that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

3.9 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently carried at amortized cost.

Notes to the Financial Statements for the period from 12 December, 2022 to 31 December, 2023

3.10 Trade and Other Payables

Trade payables are initially measured at fair value plus direct transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method.

3.11 Provisions and Contingencies

A provision is a liability of uncertain timing or amount. A liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognized because 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.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A provision is recognized when:

- there is a present obligation (legal or constructive) as a result of a past event;
- 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.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. A provision is used only for expenditures for which the provision was originally recognized. Provisions are not recognized for future operating losses. The present obligation under an onerous contract is recognized and measured as a provision.

3.12 Share Capital

Proceeds from issuance of ordinary shares are recognized as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

3.13 Statutory Reserve

Limited Liability Companies (LLCs) in the UAE are required to allocate a minimum of 5% of their annual net profits to a statutory reserve. This allocation continues until the reserve reaches 50% of the company's capital. Notably, the reserve cannot be distributed for any purpose except under specific circumstances permitted by law.

CONTINENTAL WORLDWIDE SHIPPING SERVICE L.L.C

Notes to the Financial Statements for the period from 12 December, 2022 to 31 December, 2023

4 Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. These estimates are based on management's best knowledge as at the date of the approval of the financial statements.

5 PROPERTY, PLANT AND EQUIPMENT

	Office Equipment	Computer Software	Total
	AED	AED	AED
Cost			
As at 12 December 2022	-	-	-
Additions during the period	4,329	2,100	6,429
As at 31 December, 2023	4,329	2,100	6,429
Accumulated depreciation			
As at 12 December 2022	-	-	-
Charge for the period	728	529	1,257
As at 31 December, 2023	728	529	1,257
N. B. V. as on 31 December, 2023	3,601	1,571	5,172

31-Dec-23

AED

6 DEPOSITS, ADVANCES & PREPAYMENTS

Deposits	3,000
Prepaid Rent	1,000
Prepaid License Fee	12,789
	16,789

7 ACCOUNTS AND OTHER RECEIVABLES

Accounts Receivables	242,572
Input VAT	616
	243,188

Aging of Accounts Receivables is as follows:

Within 30 days	-
Between 31-90 days	119,383
More than 90 Days	123,189
	242,572

CONTINENTAL WORLDWIDE SHIPPING SERVICE L.L.C

Notes to the Financial Statements for the period from 12 December, 2022 to 31 December, 2023

	31-Dec-23
	AED
8 CASH AND CASH EQUIVALENTS	
Cash on hand	96
Cash at Bank:	
Mashreq Bank - AED	33,819
Mashreq Bank- USD	178,633
	<u>212,548</u>
9 SHARE CAPITAL	
<i>Issued, Subscribed & Paid up</i>	
300 Shares of AED 1000 each	300,000
	<u>300,000</u>
10 EMPLOYEE'S END OF SERVICE BENEFITS	
Balance at the beginning of the period	-
Add: Provision for the period	4,557
Less: Settlement during the period	-
	<u>4,557</u>
11 TRADE AND OTHER PAYABLES	
Trade Payables	205,513
Accrued Expenses	2,500
	<u>208,013</u>
	12 December 2022 to 31 December 2023
	AED
12 REVENUE	
Revenue from Services	988,474
	<u>988,474</u>
<i>Geographical Analysis of Revenue is as follows :</i>	
Within U.A.E	3,800
Outside U.A.E	984,674
	<u>988,474</u>
12.1 VAT SUMMARY	
Standard Rated Sales	3,800
Zero Rated and out of scope sales	984,674
	<u>988,474</u>

CONTINENTAL WORLDWIDE SHIPPING SERVICE L.L.C

Notes to the Financial Statements for the period from 12 December, 2022 to 31 December, 2023

	12 December 2022 to 31 December 2023
	AED
12.1 VAT SUMMARY (Continued)	
Output VAT collected	190
Standard rated expenses	16,120
Input VAT claimed on expenses	806
VAT Refundable	(616)
13 COST OF REVENUE	
Cost of Services Provided	855,370
	855,370
14 GENERAL & ADMINISTRATIVE EXPENSES	
Employee Cost	134,553
Office Rent	45,850
Legal, Professional and License Renewal	106,044
Office Expenses	11,985
Banking Charges	1,797
	300,229
15 FINANCIAL INSTRUMENTS	

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset and financial liability are disclosed in note 3 to the financial statements.

Fair value of financial assets and financial liabilities that are not measured at fair value on recurring basis.

	2023	
	Carrying Value	Fair Value
	AED	AED
<u>Financial Assets</u>		
Deposits	3,000	3,000
Accounts Receivables	243,188	243,188
Cash and Cash Equivalents	212,548	212,548
	458,736	458,736
<u>Financial Liabilities</u>		
Trade and Other Payables	208,013	208,013
	208,013	208,013

Notes to the Financial Statements for the period from 12 December, 2022 to 31 December, 2023

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to the shareholder through the optimization of the equity balance. The Company started its commercial operations with effect from 12 December 2022 and its overall strategy remains unchanged for the period under review.

16 FINANCIAL RISK MANAGEMENT OBJECTIVES

The Company management set out the overall business strategies and its risk management philosophy. The Company's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the Company. Periodic reviews are undertaken to ensure that the Company's policy guidelines are complied with.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

16.1 Foreign Currency Risk

Foreign currency risk is the risk that an adverse movement in currency exchange rates can affect the financial performance of the Company and can arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured.

16.2 Credit Risk

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally trade receivables and bank balances.

Credit risk relating to trade receivables is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which the operate, combined with regular monitoring and follow-up.

The Company's bank accounts are placed with high credit quality financial institutions.

16.3 Liquidity Risk

Liquidity risk is the risk that the Company may not have sufficient liquid funds to meet its liabilities as they fall due. Prudent liquidity risk management requires maintaining sufficient cash and the availability of funding to meet obligations when due.

17 COMPARATIVE FIGURES

Being the initial period of audit, comparative information have not been presented in the report.

18 DATE OF AUTHORIZATION

These financial statements were authorized for issue by the director of the Company on 23 March, 2024.

For CONTINENTAL WORLDWIDE SHIPPING SERVICE L.L.C

S.m Syed mahamudha Sahana
Authorized Signatory

