

SEYCHELLES PETROLEUM COMPANY LIMITED AND ITS SUBSIDIARIES

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DIRECTORS	: S Gendron (Chairperson) V Laporte S Patel M Nalletamby Y Vel <i>Appointed effective January 18, 2022</i> S Romain (Acting Chief Executive Officer) C Benoiton (Chief Executive Officer) (<i>Retired effective April 1, 2022</i>) E Belle (<i>Resigned effective April 12, 2021</i>)
SECRETARY	: Corporate Registrars (Pty) Limited P O Box 18, The Creole Spirit Victoria, Mahé Seychelles
REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS	: Newport, Victoria, Mahé Seychelles
AUDITORS	: BDO Associates Chartered Accountants Seychelles
BANKERS	: The Mauritius Commercial Bank (Seychelles) Limited Absa Bank (Seychelles) Limited The Mauritius Commercial Bank Limited Seychelles International Mercantile Banking Corporation Limited Ostfriesische Volksbank eG

DIRECTORS' REPORT - YEAR ENDED DECEMBER 31, 2021

The Directors are pleased to submit their report on Seychelles Petroleum Company Limited (SEYPEC) together with the audited financial statements of the Group and the Company for the year ended December 31, 2021.

PRINCIPAL ACTIVITIES

The main activities of Seychelles Petroleum Company Limited (SEYPEC) comprise the following:

- (a) Supply of petroleum products in Seychelles;
- (b) Marine bunkering;
- (c) Aviation refuelling; and
- (d) Transshipment and transportation of petroleum and chemical products by tankers.

The activities of the subsidiaries are tanker rental to Seypec the parent Company.

CURRENT YEAR EVENT***Commitment to dispose a tanker - Seychelles Pride***

As part of the Company's Asset Management Policy, the Board Members took the decision to sell Seychelles Pride, the oldest tanker in the fleet of the Company. A desktop valuation of the Company's deep-sea fleet was performed in May 2021 and November 2021, without physical inspection. As a result, an estimated value of the Seychelles Pride was determined to range between USD 6.0m and USD 7.0m. Per Board minutes dated September 9, 2021, it was resolved to make a presentation to the Cabinet of Ministers as the disposal of the tanker was of significant value.

Per December 9, 2021 resolution, the Board members agreed to sell the Seychelles Pride for USD 5.9m to Northern Tankers DMCC. Since the criteria required by IFRS 5 "Non Current Assets Held for Sale and Discontinued Operations" were met, the tanker was therefore reclassified as a "Non current asset held for sale" on the face of the Statement of Financial Position as at December 31, 2021.

EVENT AFTER REPORTING DATE

The tanker, Seychelles Pride was disposed to Northern Tankers DMCC in January 2022 for USD 5.9m.

FINANCIAL PERFORMANCE

The net reported loss for the year amounted to USD 11.8m (2020: profit of USD 35.4m) for the Group and USD 12.8m (2020: profit of USD 34.1m) for the Company.

DIVIDENDS

The Director proposed and paid dividends amounting to USD 16.5m for the year under review (2020: USD 10.5m proposed and paid) (note 28).

PROPERTY, PLANT AND EQUIPMENT

The property, plant and equipment of the Group and Company and the movements therein are detailed in note 5 to the financial statements.

The Directors are of the opinion that the carrying amounts of property, plant and equipment at the reporting date approximate their fair value and no impairment is required.

FINANCIAL OVERVIEW

The Company's 2021 sales were characterised by a market slowly recovering from Covid-19 pandemic. The demand for products gradually increased sustained partially by the resurgence of the airline and industrial sectors. Nevertheless, the shipping industry experienced the worst year since the fleet's existence due to low global freight rates and depressed demand for tanker vessels. Whilst the overall sales volume of products in 2021 compared to 2020 was down by 10%, alongside shipping earnings which plummeted by 17% in the same period, the unexpected increase in the Company's revenue by 17% was a direct result of currency appreciation over the two years. As at the end of 2020, the exchange rate was SR 21: USD 1 versus SR 15: USD 1 in 2021. The surge in global fuel prices also affected the cost of fuel products in 2021 which saw an increase of 33% over the year 2020.

The Company's bottom line was also negatively impacted by the various subsidies extended to several industry sectors. In 2021, the Company absorbed a total amount of SR 65.9m (USD 3.8m). The subsidy applied on the price of LPG, which was determined by the Shareholders, to ensure that the price of SR 15 per kg was maintained. This consequently resulted in a loss of SR 23.9m (USD 1.4m) in 2021. Similarly, a zero-margin policy towards SPTC resulted into the Company absorbing a loss of SR 4.9m (USD 281.1k) in 2021. Fuel transport and distribution cost of SR 35.9m (USD 2.1m) to service Praslin and La Digue was equally absorbed to ensure sustainability of price at the same level for all and rental of offices to Petroseychelles at a cost of SR 1.2m (USD 68.8k) yearly was similarly absorbed.

Cumulatively from 2011, the Company absorbed SR 827.3m as subsidies.

DIRECTORS AND DIRECTORS' INTERESTS

The Directors of Seychelles Petroleum Company Limited and of those of its subsidiaries from the date of the last report to-date are as follows:

Seychelles Petroleum Company Limited

S Gendron (Chairperson)
V Laporte
S Patel

M Nalletamby
Y Vel

Appointed

S Romain (Acting Chief Executive Officer)

C Benoiton (Retired effective April 1, 2022)
E Belle (*Resigned effective April 12, 2021*)

Subsidiaries

(i) **Seychelles Patriot Limited**

(ii) **Seychelles Pioneer Limited**

(iv) **Seychelles Prelude Limited**

(iii) **Seychelles Progress Limited**

F Racombo
U Romain

R Hoareau
S Romain

None of the Directors has any direct or indirect interest in the shares of the Company or of the subsidiaries.

DIRECTORS' REPORT - YEAR ENDED DECEMBER 31, 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the overall management of the affairs of the Group including operations and investment decisions.

The Board is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the Seychelles Companies Act, 1972. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies that fall within the accounting policies adopted by the Group; and making accounting estimates that are reasonable in the circumstances. The Directors have the general responsibility of safeguarding the assets, both owned by the Group and those that are held in trust and used by the Group.

The Directors consider they have met their aforesaid responsibilities.

AUDITORS

The auditors, Messrs. BDO Associates, retire and being eligible offer themselves for reappointment.

BOARD APPROVAL



S Gendron
Director



V Laporte
Director

S Patel
Director



M Nafletamby
Director

Y Vel
Director

S Romain
Director

Date:
Victoria, Seychelles

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Report on the audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of SEYCHELLES PETROLEUM COMPANY LIMITED AND ITS SUBSIDIARIES (the Group) and the Company's financial statements on pages 4 to 50 which comprise the Statements of Financial Position as at December 31, 2021, the Statements of Profit or Loss, the Statements of Other Comprehensive Income, Statements of Changes in Equity and the Statements of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at December 31, 2021 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 1972 and Public Enterprise Monitoring Commission Act, 2013.

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 Group and of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Seychelles, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors for the preparation of Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the Companies Act, 1972 and Public Enterprise Monitoring Commission Act, 2013, and for such internal controls as the Directors determine are necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group and 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 the Directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONT'D)

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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 and on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONT'D)

Report on Other Legal and Regulatory Requirements

Companies Act, 1972

We have no relationship with, or interests in, the Group and the Company, other than in our capacity as auditors and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

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

Public Enterprise Monitoring Commission Act, 2013

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

We have obtained all the information necessary for the purpose of our audit and are satisfied with the information received.

Other matter

This report is made solely to the Members of the Company, as a body, in accordance with the Companies Act 1972. Our audit work has been undertaken so that we might state to the Company's Members those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company or the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Dated:
Victoria, Seychelles

BDO ASSOCIATES
Chartered Accountants

STATEMENTS OF FINANCIAL POSITION - DECEMBER 31, 2021

	Notes	THE GROUP		THE COMPANY	
		2021	2020	2021	2020
		USD	USD	USD	USD
ASSETS					
Non-current assets					
Property, plant and equipment	5	322,893,308	345,761,313	275,527,011	289,160,100
Right-of-use assets	6(a)	2,315,958	2,701,856	2,315,958	2,701,856
Investment in subsidiaries	7	-	-	70,952,423	82,986,733
Investment in financial assets	8(a)	4,172	2,881	4,172	2,881
		<u>325,213,438</u>	<u>348,466,050</u>	<u>348,799,564</u>	<u>374,851,570</u>
Current assets					
Inventories	9	19,371,038	12,099,644	19,371,038	12,099,644
Investment in financial assets	8(b)	-	6,788,401	-	6,788,401
Trade and other receivables	10	35,199,506	19,478,825	35,199,506	19,478,825
Cash and cash equivalents	26(b)	35,384,870	21,757,020	35,384,870	21,757,020
		<u>89,955,414</u>	<u>60,123,890</u>	<u>89,955,414</u>	<u>60,123,890</u>
Non-current asset held for sale	11	4,610,484	-	4,610,484	-
		<u>94,565,898</u>	<u>60,123,890</u>	<u>94,565,898</u>	<u>60,123,890</u>
Total assets		<u>419,779,336</u>	<u>408,589,940</u>	<u>443,365,462</u>	<u>434,975,460</u>
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	12	8,595,053	8,595,053	8,595,053	8,595,053
Other reserves	13	254,529,157	216,599,114	253,563,886	218,460,318
Retained earnings		99,760,357	129,107,252	124,325,220	153,646,195
		<u>362,884,567</u>	<u>354,301,419</u>	<u>386,484,159</u>	<u>380,701,566</u>
LIABILITIES					
Non-current liabilities					
Lease liabilities	6(b)	2,372,053	1,486,879	2,372,053	1,486,879
Deferred tax liabilities	14	7,669,013	24,645,625	7,669,013	24,645,625
Retirement benefit obligations	15	1,690,661	1,094,282	1,690,661	1,094,282
		<u>11,731,727</u>	<u>27,226,786</u>	<u>11,731,727</u>	<u>27,226,786</u>
Current liabilities					
Lease liabilities	6(b)	2,941	135,955	2,941	135,955
Trade and other payables	16	45,160,101	26,925,780	45,146,635	26,911,153
		<u>45,163,042</u>	<u>27,061,735</u>	<u>45,149,576</u>	<u>27,047,108</u>
Total liabilities		<u>56,894,769</u>	<u>54,288,521</u>	<u>56,881,303</u>	<u>54,273,894</u>
Total equity and liabilities		<u>419,779,336</u>	<u>408,589,940</u>	<u>443,365,462</u>	<u>434,975,460</u>

These financial statements have been approved for issue by the Board of Directors on:


S Gendron
Director


M Nallelamby
Director


V Laporte
Director

Y Vel
Director

S Patel
Director

S Romain
Director

The notes on pages 9 to 50 form an integral part of these financial statements.
Independent Auditor's Report on pages 3 to 3(b).

STATEMENTS OF PROFIT OR LOSS - YEAR ENDED DECEMBER 31, 2021

	Notes	THE GROUP		THE COMPANY	
		2021	2020	2021	2020
		USD	USD	USD	USD
Revenue	18	308,000,403	262,380,323	308,000,403	262,380,323
Cost of sales	19(a)	<u>(299,743,305)</u>	<u>(246,868,304)</u>	<u>(300,856,063)</u>	<u>(248,295,533)</u>
Gross profit		8,257,098	15,512,019	7,144,340	14,084,790
Selling & marketing expenses	19(a)	(32,201)	(30,630)	(32,201)	(30,630)
Administrative expenses	19(a)	(10,889,537)	(11,801,216)	(10,809,112)	(11,758,900)
Other income	20	7,925,023	7,998,932	7,925,023	7,998,932
(Charge) / Reversal of credit impairment	10(d)	(629,482)	318,593	(629,482)	318,593
Other (losses) / gains - Net	21	<u>(38,606,943)</u>	<u>46,948,677</u>	<u>(38,606,943)</u>	<u>46,948,677</u>
		(33,976,042)	58,946,375	(35,008,375)	57,561,462
Finance costs	22	(229,137)	(20,970)	(229,137)	(20,970)
Finance income	22	<u>289,552</u>	<u>251,135</u>	<u>289,552</u>	<u>251,135</u>
(Loss) / Profit before taxation	17(c)/23	<u>(33,915,627)</u>	<u>59,176,540</u>	<u>(34,947,960)</u>	<u>57,791,627</u>
Taxation credit / (charge)	17(b)	<u>22,123,082</u>	<u>(23,737,381)</u>	<u>22,123,082</u>	<u>(23,737,381)</u>
(Loss) / Profit for the year		<u><u>(11,792,545)</u></u>	<u><u>35,439,159</u></u>	<u><u>(12,824,878)</u></u>	<u><u>34,054,246</u></u>

The notes on pages 9 to 50 form an integral part of these financial statements.
Independent Auditor's Report on pages 3 to 3(b).

SEYCHELLES PETROLEUM COMPANY LIMITED AND ITS SUBSIDIARIES

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STATEMENTS OF OTHER COMPREHENSIVE INCOME - YEAR ENDED DECEMBER 31, 2021

	Notes	THE GROUP		THE COMPANY	
		2021	2020	2021	2020
		USD	USD	USD	USD
(Loss) / Profit for the year		(11,792,545)	35,439,159	(12,824,878)	34,054,246
Other comprehensive income:					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Currency translation differences					
- Other reserves	13	37,928,752	(51,482,209)	35,102,277	(49,656,684)
- Retained earnings		(1,058,253)	(541,685)	-	-
<i>Item that will not be reclassified to profit or loss</i>					
Equity instruments at fair value through other comprehensive income reserve	8 & 13	1,291	(1,563)	1,291	(1,563)
Other comprehensive income / (expense) for the year, net of tax		36,871,790	(52,025,457)	35,103,568	(49,658,247)
Total comprehensive income / (expense) for the year		25,079,245	(16,586,298)	22,278,690	(15,604,001)
Profit attributable to:					
Owners of the parent		(11,792,545)	35,439,159	(12,824,878)	34,054,246
Non-controlling interest		-	-	-	-
Total comprehensive income / (expense) for the year		(11,792,545)	35,439,159	(12,824,878)	34,054,246
Owners of the parent		25,079,245	(16,586,298)	22,278,690	(15,604,001)
Non-controlling interest		-	-	-	-
Total comprehensive income / (expense) for the year		25,079,245	(16,586,298)	22,278,690	(15,604,001)

The notes on pages 9 to 50 form an integral part of these financial statements.
Independent Auditor's Report on pages 3 to 3(b).

SEYCHELLES PETROLEUM COMPANY LIMITED AND ITS SUBSIDIARIES

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STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED DECEMBER 31, 2021

	Note	Attributable to owners of the parent				Non-Controlling Interest	Total Equity
		Share Capital	Other Reserves	Retained Earnings	Total		
THE GROUP		USD	USD	USD	USD	USD	USD
At January 1, 2021		8,595,053	216,599,114	129,107,252	354,301,419	-	354,301,419
Total comprehensive income for the year		-	37,930,043	(12,850,798)	25,079,245	-	25,079,245
Dividends	28(a)	-	-	(16,496,097)	(16,496,097)	-	(16,496,097)
At December 31, 2021		8,595,053	254,529,157	99,760,357	362,884,567	-	362,884,567
At January 1, 2020		8,595,053	268,082,886	104,677,201	381,355,140	-	381,355,140
Total comprehensive expense for the year		-	(51,483,772)	34,897,474	(16,586,298)	-	(16,586,298)
Dividends	28(a)	-	-	(10,467,423)	(10,467,423)	-	(10,467,423)
At December 31, 2020		8,595,053	216,599,114	129,107,252	354,301,419	-	354,301,419
THE COMPANY							
		Note	Share Capital	Other Reserves	Retained Earnings	Total	USD
At January 1, 2021			8,595,053	218,460,318	153,646,195	380,701,566	USD
Total comprehensive income for the year			-	35,103,568	(12,824,878)	22,278,690	USD
Dividends	28(a)		-	-	(16,496,097)	(16,496,097)	USD
At December 31, 2021			8,595,053	253,563,886	124,325,220	386,484,159	USD
At January 1, 2020			8,595,053	268,118,565	130,059,372	406,772,990	USD
Total comprehensive expense for the year			-	(49,658,247)	34,054,246	(15,604,001)	USD
Dividends	28(a)		-	-	(10,467,423)	(10,467,423)	USD
At December 31, 2020			8,595,053	218,460,318	153,646,195	380,701,566	USD

The notes on pages 9 to 50 form an integral part of these financial statements. Independent Auditor's Report on pages 3 to 3(b).

STATEMENTS OF CASH FLOWS - YEAR ENDED DECEMBER 31, 2021

	Notes	THE GROUP		THE COMPANY	
		2021	2020	2021	2020
		USD	USD	USD	USD
Cash flows generated from operations					
Cash (used in) / generated from operations	26(a)	(17,094,075)	87,857,787	(23,118,757)	81,684,515
Finance income	22	289,552	251,135	289,552	251,135
		(16,804,523)	88,108,922	(22,829,205)	81,935,650
Tax paid	17(a)	(10,450,064)	(5,782,985)	(10,450,064)	(5,782,985)
Retirement benefit obligations paid		(155,406)	(386,258)	(155,406)	(386,258)
Net (used in) / cash generated from operating activities		(27,409,993)	81,939,679	(33,434,675)	75,766,407
Cash flows from investing activities					
Purchase of property and equipment	5	(3,948,825)	(2,667,459)	(3,948,825)	(2,667,459)
Proceeds from sale of equipment		26,723	24,732	26,723	24,732
Repayment of lease liability	6(b)	(2,886)	(182,590)	(2,886)	(182,590)
Addition to financial assets	8(b)	-	(7,473,495)	-	(7,473,495)
Redemption of financial assets	8(b)	10,105,954	4,370,755	10,105,954	4,370,755
Finance costs	22	(229,137)	(20,970)	(229,137)	(20,970)
Net cash generated from / (used) in investing activities		5,951,829	(5,949,027)	5,951,829	(5,949,027)
Cash flows from financing activities					
Dividends and Net cash used in financing activities	28(a)	(16,496,097)	(10,467,423)	(16,496,097)	(10,467,423)
Net (decrease) / increase in cash and cash equivalents		(37,954,261)	65,523,229	(43,978,943)	59,349,957
Movement in cash and cash equivalents					
At January 1,		21,757,020	23,230,012	21,757,020	23,230,012
(Decrease) / Increase		(37,954,261)	65,523,229	(43,978,943)	59,349,957
Foreign exchange differences		51,582,111	(66,996,221)	57,606,793	(60,822,949)
At December 31,	26(b)	35,384,870	21,757,020	35,384,870	21,757,020

The notes on pages 9 to 50 form an integral part of these financial statements.
Independent Auditor's Report on pages 3 to 3(b).

1. GENERAL INFORMATION

Seychelles Petroleum Company Limited is a limited liability Company incorporated and domiciled in Seychelles. Its registered office is situated at New Port, Victoria, Mahé, Seychelles. The main activities of the Company are the supply of petroleum products, marine bunkering, aviation refueling and transshipment services and transportation of petroleum and chemical products by tankers. Its activities have remained unchanged as compared to the previous year.

These financial statements will be submitted for consideration and approval at the forthcoming Annual General Meeting of Shareholders of the Company.

2. PRINCIPAL ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS and are in compliance with the Companies Act, 1972 and the Public Enterprise Monitoring Commission, 2013.

These financial statements have been prepared under the historical cost convention as modified by the application of fair value measurements required or allowed relevant accounting standards. Where necessary, comparative figures have been amended to conform with the change in presentation in the current period.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. The areas involving higher degree of judgement and complexity or areas where assumptions are significant to the financial statements are disclosed in note 4.

(b) New and amended standards and interpretations

(i) *Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 & IFRS 16*

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued; and
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments have no impact on the Group's financial statements. The Group intends to use the practical expedients in future periods if they become applicable.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)**(b) New and amended standards and interpretations (Cont'd)****(ii) Covid-19-Related Rent Concessions beyond June 30, 2021 Amendments to IFRS 16**

On May 28, 2020, the IASB issued Covid - 19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until June 30, 2021, but as the impact of the Covid-19 pandemic is continuing, on March 31, 2021, the IASB extended the period of application of the practical expedient to June 30, 2022. The amendment applies to annual reporting periods beginning on or after April 1, 2021. However, the Group has not received Covid-19-related rent concessions.

(c) Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2022 or later periods and are not likely to have an impact on the Group's financial statements.

(i) The following amendments are effective for the period beginning January 1, 2022:

- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16); and
- References to Conceptual Framework (Amendments to IFRS 3).

(ii) The following amendments are effective for the period beginning January 1, 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- IFRS 17 Insurance Contracts (effective January 1, 2023) - In June 2020, the IASB issued amendments to IFRS 17, including a deferral of its effective date to January 1, 2023.

(d) Property, plant and equipment

Buildings, tanks, pumps and petrol stations are carried at revalued amounts based on periodic valuations by external independent valuers, less subsequent depreciation. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)**(d) Property, plant and equipment (Cont'd)**

Subsequent costs are included in the assets 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 Group and the cost of the item can be measured reliably.

Increases in the carrying amount arising on revaluation are credited to revaluation reserve in owners' interest. Decreases that offset previous increases are charged against revaluation reserve directly in equity; all other decreases are charged to Statement of Profit or Loss.

Properties in the course of construction for operation purposes are carried at cost less any recognised impairment loss. Cost includes professional fees and for qualifying assets, borrowing costs capitalised. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is calculated on the straight line method to write off the cost or revalued amount of the assets, to their residual values over their estimated useful life as follows:

	<u>Years</u>
Leasehold land and buildings	Over the period of the lease
Double hull tankers	25 years
Furniture, fittings & other equipment	3 - 10 years
Plant and equipment	3 - 50 years
Tanks, pumps and petrol stations	2½ - 10 years
Vehicles and refuellers	4 - 7 years

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

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in the Statement of Profit or Loss. On disposal of revalued assets, the amounts included in revaluation surplus are transferred to retained earnings.

(e) Non-current assets held for sale

A non-current asset measured at fair value is classified as held-for sale if it is highly probable that it will be recovered primarily through sale rather than through continuing use. Such asset, is generally measured at the lower of its carrying amount and fair value.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

The assets classified as held for sale is presented separately as current item in the Statements of Financial Position.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)**(f) Investment in subsidiaries***Separate financial statements of the investor*

In the separate financial statements of the investor, investment in subsidiary company is carried at cost. The carrying amount is reduced to recognise any impairment in the value of investment.

Consolidated financial statements

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group.

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the Statement of Profit or Loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between 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 remeasured to its fair value, with the change in carrying amount recognised in Statement of 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 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 Statement of Profit or Loss.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(g) Financial instruments

Recognition and measurement

A financial asset or financial liability is recognised in the Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument, which is generally on trade date.

Financial assets and financial liabilities of the Group are initially measured at fair value and subsequently at amortised cost.

(a) *Financial assets*

The Group has classified its financial assets under IFRS 9, into the following measurement categories:

- Those to be measured at fair value (through other comprehensive income); and at amortised cost.
- The classification depends on the Group's business model for managing financial assets and the contractual terms of the financial assets cash flows.

(i) *Amortised cost*

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

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

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in financial instruments that are measured at amortised cost and trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime ECL for its trade and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. The Group recognises an impairment loss in the Statement of Profit or Loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The Group's and Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the Statements of Financial Position.

Cash and cash equivalents include cash in hand and cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)**(g) Financial instruments (Cont'd)****(a) Financial assets (Cont'd)****(ii) Fair value through other comprehensive income**

The Group and Company have investments in listed entities which are not accounted for as subsidiaries, associates or jointly controlled entities. For those investments, the Group and Company have made an irrevocable election to classify the investments at Fair Value through Other Comprehensive (FVOCI) rather than through Statement of Profit and Loss as the Group and Company consider this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognised in Other Comprehensive Income and accumulated in the Fair Value through Other Comprehensive Income reserve. Upon disposal, any balance within FVOCI reserve is reclassified directly to Retained Earnings and is not reclassified to Statements of Profit and Loss.

Dividends are recognised in the Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associate investment's carrying amount.

Purchases and sales of financial assets measured at FVOCI are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the FVOCI reserve.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit or Loss.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)**(g) Financial Instruments (Cont'd)****(a) *Financial assets (Cont'd)******Derecognition of a financial asset***

The Group derecognises a financial asset where the contractual rights to cash flows from the asset expire or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

(b) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense 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 amortised cost of a financial liability.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of the new liability, and the difference in the respective amounts is recognised in the Statements of Profit and Loss.

(c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position when the Group has a legal enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and liability simultaneously.

(h) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)**(h) Deferred tax (Cont'd)**

Deferred tax is determined using tax rates that have been enacted by the end of the reporting period and are expected to apply in the period when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value.

Inventories comprising petroleum products, lubricants, spares and consumables are stated at the lower of cost (determined on FIFO basis) and net realisable value. Net realisable value is the estimated selling price in ordinary course of business and applicable variable selling expenses. Net realisable value is determined after review of individual items of inventories by Management for any required impairment.

Provisions are made for obsolete stocks based on Management's appraisal.

(j) Employee benefits*Short-term employee benefits*

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

A defined contribution plan is a pension plan under which the Company pays a fixed contribution into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the funds do not hold sufficient assets to pay all employees the benefits relating to employees service in the current and prior periods.

The Company and Seychellois employees contribute to the Seychelles Pension Fund (SPF). This is a pension scheme which was promulgated under the Seychelles Pension Fund Act, 2005.

Retirement benefits

The amendments to the Seychelles Employment Act in the year 1999 entitled one day wage for each completed month of service provided the employee has completed five years continuous service. The Company accrues this liability on a current basis and carries it to a provision account for payments to be made as and when they occur.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)**(k) Foreign currencies***Functional and presentation currency*

Items included in the financial statements are measured using Seychelles Rupees, the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Company and Group are presented in US Dollar, which is the Group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on 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 recognised in the Statement of Profit or Loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Profit or Loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in the Statement of Profit or Loss within 'other (losses)/gains - net'.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as fair value through other comprehensive income are included in the fair value reserve in equity.

Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of the Statement of Financial Position.
- (ii) Income and expenses for each Statement of Profit or Loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) All resulting exchange differences are recognised in Other Comprehensive Income.

As at year-end, the main exchange rates against US Dollar were as follows:

	2021	2020
	USD	USD
1 Seychelles Rupee	0.0660	0.0456
1 Euro	1.1316	1.2292

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)**(l) Impairment of non financial assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(m) Revenue recognition

Revenue from contract with customers is recognised as or when performance obligations are satisfied by transferring control of a good or service to the customer. Transfer of control of goods occurs at the time of delivery. The Company's revenue is the net consideration to which it expects to be entitled, net of returns, trade discounts, taxes and volume rebates.

Revenue is recognised to the extent that it is highly probable that a significant reversal will not occur. Generally, payment of the transaction price is due within credit period of between 30 days with no element of financing.

Revenue from tankers on time charter - on a time-portion basis; and

Revenue from tankers on voyage charter - upon delivery of the cargo at the port of discharge.

Other revenues

Interest income - on a time-proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised either as cash is collected or on a cost-recovery basis as conditions warrant.

(n) Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is presented as a separate line in the consolidated Statement of Financial Position.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)**(n) Leases (Cont'd)**

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated Statement of Financial Position.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the Statement of Profit or Loss.

(o) Provisions

Provisions are recognised when the Company and its Subsidiaries has a present or constructive obligation as a result of past events; it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and fair value interest risk), credit risk and liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effect of the Company's financial performance.

A description of the significant risk factors is given below together with the risk management policies applicable.

(a) Market risk

(i) Currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Seychelles Rupee and Euro.

If the US Dollar had weakened/strengthened against the above currencies by $\pm 5\%$ with all other variables remaining constant, the impact (increase/(decrease)) on the results for the year would have been mainly as a result of foreign exchange gains/(losses) as depicted in the table hereunder.

THE GROUP

	Seychelles Rupee		Euro	
	2021	2020	2021	2020
	USD'000	USD'000	USD'000	USD'000
Bank balances	1,340	763	32	53
Trade receivables	580	428	-	-
Trade payables	22	12	55	55

THE COMPANY

	Seychelles Rupee		Euro	
	2021	2020	2021	2020
	USD'000	USD'000	USD'000	USD'000
Bank balances	1,340	763	32	53
Trade receivables	580	428	-	-
Trade payables	22	12	55	55

At December 31, 2021, the Company and Group had no borrowings hence no exposure to interest rates on floating rate.

(ii) Equity price risk

The Group is susceptible to equity market price risk arising from uncertainties about future prices of the equity securities because of investments held by the Group and classified on the Statement of Financial Position as Fair Value Through Other Comprehensive Income.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (Cont'd)

Sensitivity analysis

The table below summarises the impact of increases/(decreases) in the fair value of the investments on equity. The analysis is based on the assumption that the fair value has increased / (decreased) by 5%.

	THE GROUP AND THE COMPANY	
	2021	2020
	USD'000	USD'000
Equity instrument at fair value through Other Comprehensive Income	0.21	0.14

(b) Credit risk

The Group's credit risk is primarily attributable to its trade receivables.

The Group has a significant concentration of credit risk, with a wide exposure spread over a small number of customers. However, the Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

The table below shows the credit concentration of the Company at the end of the reporting period.

	THE GROUP AND THE COMPANY	
	2021	2020
	%	%
10 major counterparties	60	63
Others (diversified risk)	40	37
	100	100

In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. In this regard, the Directors of the Group consider that the Group's credit risk is significantly reduced. Trade receivables consist of a large number of customers.

A description of the significant risk factors is given on the following page together with the risk management policies applicable.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

3. FINANCIAL RISK MANAGEMENT**3.1 Financial Risk Factors (Cont'd)****(b) Credit risk (Cont'd)***Risk concentration*

Concentration of risk is managed by for the Group and Company.

Concentration of credit risks exists when a number of counterparties are engaged in similar activities or operate in the same geographical areas, industry sections and have similar economic characteristics so that their ability to meet contractual obligations is similarly affected by changes in economic, political and other conditions.

The following table shows the level of concentration of trade receivables of the Group and the Company at December 31,

	Trade Receivables at amortised cost		Provision for credit impairment		Carrying Amount	
	2021 USD'000	2020 USD'000	2021 USD'000	2020 USD'000	2021 USD'000	2020 USD'000
<i>Trade receivables</i>						
International	16,614	8,548	1,503	803	15,111	7,745
Local	11,598	8,776	3,070	1,926	8,528	6,850
TOTAL	28,212	17,324	4,573	2,729	23,639	14,595

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

3. FINANCIAL RISK MANAGEMENT (CONT'D)**3.1 Financial Risk Factors (Cont'd)****(b) Credit risk (Cont'd)**

For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. Note 10(c) include further details on the loss allowance for these assets respectively.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and availability of funding through an adequate amount of committed credit facilities.

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow.

The table below analyses the Group's financial exposure into relevant maturity groupings based on the remaining period at the date of the reporting period to the contractual maturity date.

THE GROUP

	Less than 1 year USD'000	Between 1 & 2 years USD'000	Between 2 & 5 years USD'000	Total USD'000
At December 31, 2021				
Lease liabilities (undiscounted)	217	433	12,055	12,705
Trade and other payables	<u>45,160</u>	<u>-</u>	<u>-</u>	<u>45,160</u>
At December 31, 2020				
Lease liabilities (undiscounted)	150	299	8,473	8,922
Trade and other payables	<u>23,022</u>	<u>-</u>	<u>-</u>	<u>23,022</u>

THE COMPANY

	Less than 1 year USD'000	Between 1 & 2 years USD'000	Between 2 & 5 years USD'000	Total USD'000
At December 31, 2021				
Lease liabilities (undiscounted)	217	433	12,055	12,705
Trade and other payables	<u>45,147</u>	<u>-</u>	<u>-</u>	<u>45,147</u>
At December 31, 2020				
Lease liabilities (undiscounted)	150	299	8,473	8,922
Trade and other payables	<u>23,008</u>	<u>-</u>	<u>-</u>	<u>23,008</u>

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital in proportion to risk. As at December 31, 2021 and 2020, the Group was debt free.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Calculation of loss allowance

When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

(b) Leases

The determination of the respective discount rates

In determining the respective discount rate by the Company, the entity considered the rate of interest that it would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Company's incremental borrowing rate was considered to be the most appropriate rate to commence with and adjusted for the profiles of the respective factors for use in the calculation on initial recognition of the respective lease liabilities.

Determining the lease terms

In determining the lease term, Management considered all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. All extension options (or periods after termination options) have been included in the lease term. There are no potential future cash outflows. All future cash outflows have been included in the lease liability. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

(c) Buildings, tanks, pumps and petrol stations

Buildings, tanks, pumps and petrol stations are carried at fair their value, representing their open-market value determined by external valuers.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)**(d) Impairment of other non financial assets**

Property, plant and equipment are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

Future cash flows expected to be generated by the assets or cash-generating units are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value.

At the end of each reporting period, Management reviews and assesses the carrying amounts of other assets and where relevant writes them down to their recoverable amounts based on best estimates.

(e) Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of the reporting period.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: Techniques which use inputs which have a significant effect on the recorded at fair value that are not based on observable market data.

(f) Asset lives and residual values

Property, plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

Property, plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Company would currently obtain from the disposal of the asset, if the asset were already of the age and in condition expected at the end of its useful life.

Carrying amounts of assets above their residual values have not been depreciated.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)**(g) *Length of service***

The amendments to the Seychelles Employment Act in the year 1999 entitled one day wage for each completed month of service provided the employee has completed five years continuous service. The Company accrues this liability on a current basis and carries it to a provision account for payments to be made as and when they occur. The Directors have estimated that the amount of the liability provided will not be materially different had it been computed by an external Actuary.

(h) *Going concern*

The Group's Management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, Management is not aware of any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

(i) *Functional currency*

The Board of Directors have determined the Seychelles Rupee to be the functional currency of the Company.

(j) *Limitation of sensitivity analysis*

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Group's assets and liabilities are actively managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's views of possible near-term market changes that cannot be predicted with any certainty.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

5. PROPERTY, PLANT AND EQUIPMENT

(a) THE GROUP

	Leasehold land & buildings		Double hull tankers		Furniture & fittings		Plant & equipment		Tanks, pumps & petrol stations		Vehicles & refuellers		Work in progress		Total
	Valuation	Cost	Valuation	Cost	Cost	Cost	Valuation	Cost	Valuation	Cost	Cost	Cost	Cost	Cost	
COST OR VALUATION															
At January 1, 2020	10,071,590	220,186,262	3,330,055	33,145,689	279,615,879	5,640,635	1,649,307	553,639,417							
Additions	-	2,069	251,868	398,607	-	408,556	1,606,359	2,667,459							
Disposals	-	-	(2,694)	(64,468)	-	(152,046)	-	(219,208)							
Exchange differences	-	17,037,925	-	-	-	-	-	17,037,925							
Assets written off	-	-	-	-	-	-	-	(99,997)							
Transfers to / (from)	-	-	349,845	899,959	-	-	(1,249,804)	-							
At December 31, 2020	10,071,590	237,226,256	3,929,074	34,379,787	279,615,879	5,897,145	1,905,865	573,025,596							
Additions	-	659	84,944	478,470	-	794,195	2,590,557	3,948,825							
Disposals	-	-	(43,870)	-	-	(43,045)	-	(86,915)							
Exchange differences	-	(15,269,673)	-	-	-	-	-	(15,269,673)							
Transfers to / (from)	-	-	-	1,865,900	-	-	(1,865,900)	-							
Transfer to assets held for sale	-	(20,642,963)	-	-	-	-	-	(20,642,963)							
At December 31, 2021	10,071,590	201,314,279	3,970,148	36,724,157	279,615,879	6,648,295	2,630,522	540,974,870							
ACCUMULATED DEPRECIATION															
At January 1, 2020	1,899,730	138,081,940	1,758,730	11,762,241	40,087,742	4,773,341	-	198,363,724							
Charge for the year	382,816	5,687,594	177,789	868,731	9,802,955	270,212	-	17,190,097							
Disposals	-	-	(2,694)	(64,466)	-	(152,048)	-	(219,208)							
Exchange differences	-	11,929,670	-	-	-	-	-	11,929,670							
At December 31, 2020	2,282,546	155,699,204	1,933,825	12,566,506	49,890,697	4,891,505	-	227,264,283							
Charge for the year	391,639	5,916,061	222,031	1,012,515	10,000,743	421,951	-	17,964,940							
Disposals	-	-	(43,870)	-	-	(43,045)	-	(86,915)							
Transfer to assets held for sale	-	(16,032,479)	-	-	-	-	-	(16,032,479)							
Exchange differences	-	(11,028,267)	-	-	-	-	-	(11,028,267)							
At December 31, 2021	2,674,185	134,554,519	2,111,986	13,579,021	59,891,440	5,270,411	-	218,081,562							
NET BOOK VALUE															
At December 31, 2021	7,397,405	66,759,760	1,858,162	23,145,136	219,724,439	1,377,884	2,630,522	322,893,308							
At December 31, 2020	7,789,044	81,527,052	1,995,249	21,813,281	229,725,182	1,005,640	1,905,865	345,761,313							

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) THE COMPANY

	Leasehold land & buildings		Double hull tankers		Furniture & fittings		Plant & equipment		Tanks, pumps & petrol stations		Vehicles & refuellers		Work in progress		Total
	Valuation	Cost	Valuation	Cost	Cost	Cost	Valuation	Cost	Valuation	Cost	Cost	Cost	Cost	Cost	
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
COST OR VALUATION															
At January 1, 2020	10,071,590	44,912,063			3,330,055	33,145,689	279,615,879	5,640,635	1,649,307			378,365,218			
Additions	-	2,069			251,868	398,607	-	408,556	1,606,359			2,667,459			
Disposals	-	-			(2,694)	(64,468)	-	(152,046)	-			(219,208)			
Assets written off	-	-			-	-	-	-	(99,997)			(99,997)			
Transfers to / (from)	-	-			349,845	899,959	-	-	(1,249,804)			-			
At December 31, 2020	10,071,590	44,914,132			3,929,074	34,379,787	279,615,879	5,897,145	1,905,865			380,713,472			
Additions	-	659			84,944	478,470	-	794,195	2,590,557			3,948,825			
Disposals	-	-			(43,870)	-	-	(43,045)	-			(86,915)			
Transfers to / (from)	-	-			-	1,865,900	-	-	(1,865,900)			-			
Transfer to assets held for sale	-	(20,642,963)			-	-	-	-	-			(20,642,963)			
At December 31, 2021	10,071,590	24,271,828			3,970,148	36,724,157	279,615,879	6,648,295	2,630,522			363,932,419			

ACCUMULATED DEPRECIATION

At January 1, 2020	1,899,731	19,087,765			1,758,728	11,762,241	40,087,741	4,773,341	-			79,369,547			
Charge for the year	382,816	900,530			177,789	868,731	9,802,955	270,212	-			12,403,033			
Disposal	-	-			(2,694)	(64,466)	-	(152,048)	-			(219,208)			
At December 31, 2020	2,282,547	19,988,295			1,933,823	12,566,506	49,890,696	4,891,505	-			91,553,372			
Charge for the year	391,639	922,551			222,031	1,012,515	10,000,743	421,951	-			12,971,430			
Disposal	-	-			(43,870)	-	-	(43,045)	-			(86,915)			
Transfer to assets held for sale	-	(16,032,479)			-	-	-	-	-			(16,032,479)			
At December 31, 2021	2,674,186	4,878,367			2,111,984	13,579,021	59,891,439	5,270,411	-			88,405,408			

NET BOOK VALUE

At December 31, 2021	7,397,404	19,393,461			1,858,164	23,145,136	219,724,440	1,377,884	2,630,522			275,527,011			
At December 31, 2020	7,789,043	24,925,837			1,995,251	21,813,281	229,725,183	1,005,640	1,905,865			289,160,100			

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) Depreciation have been charged to the Statement of Profit or Loss as follows (note 19):

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	USD	USD	USD	USD
Cost of sales	17,320,958	16,742,096	12,327,448	11,955,032
Administrative expenses	643,982	448,001	643,982	448,001
	<u>17,964,940</u>	<u>17,190,097</u>	<u>12,971,430</u>	<u>12,403,033</u>

(d) The Group's buildings, tanks, pumps and petrol stations were revalued at December 31, 2016 by USD 47.2m by HMT Project Management (Pty) Ltd, independent valuers, on a replacement cost basis. The revaluation surplus, net of deferred tax was credited to revaluation reserve in shareholders' equity. The Directors have assumed that the carrying amount of the Company's buildings, tanks, pumps and petrol stations represents a fair estimation of their fair values as at December 31, 2021.

(e) The fair value of property, plant and equipment falls within Category 3 of the fair value hierarchy.

(f) Significant unobservable valuation input

Range

Price per square meter (US Dollar)

189 - 1,403

Significant increase/(decrease) in estimated price per square meter in isolation would result in significantly higher/(lower) fair value.

(g) If the buildings, tanks, pumps and petrol stations had been stated at their historical cost, the amounts would have been as follows:

	THE GROUP AND THE COMPANY			
	Tanks, pumps and petrol stations		Buildings	
	2021	2020	2021	2020
	USD	USD	USD	USD
Cost	41,247,380	27,143,367	10,732,049	7,408,133
Accumulated depreciation	(21,664,539)	(13,685,378)	(7,865,514)	(5,217,402)
Net book value	<u>19,582,841</u>	<u>13,457,989</u>	<u>2,866,535</u>	<u>2,190,731</u>

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

6. LEASES

(a) Right-of-use assets

	<u>THE GROUP AND THE COMPANY</u> USD
Land and buildings	
At January 1, 2020	2,509,458
Lease modification adjustment	249,807
Amortisation charge (note 19)	<u>(57,409)</u>
At December 31, 2020	2,701,856
Amortisation charge (note 19)	<u>(385,898)</u>
At December 31, 2021	<u><u>2,315,958</u></u>

(b) Lease liabilities

	<u>THE GROUP AND THE COMPANY</u>	
	<u>2021</u>	<u>2020</u>
	USD	USD
At January 1,	1,622,834	2,545,902
Lease modification adjustment	-	249,807
Finance cost (note 22)	229,137	20,970
Payments	<u>(232,023)</u>	<u>(203,560)</u>
Exchange difference	755,046	(990,285)
At 31 December,	<u><u>2,374,994</u></u>	<u><u>1,622,834</u></u>
Analysed as:		
- Non current	2,372,053	1,486,879
- Current	2,941	135,955
Total	<u><u>2,374,994</u></u>	<u><u>1,622,834</u></u>

(c) The leases of the Group comprise land from the Government of Seychelles with remaining rental periods ranging up to 86 years.

(d) If the incremental borrowing rate had moved by 5% higher/(lower), the impact on the results of the year would have been USD 11.5k (2020: USD 1.0k) higher/(lower).

7. INVESTMENT IN SUBSIDIARIES

	<u>THE COMPANY</u>	
	<u>2021</u>	<u>2020</u>
	USD	USD
Cost - Unquoted (note 7(a))	14,856	14,856
Loans receivable (notes 7(b) & 7(c))	<u>70,937,567</u>	<u>82,971,877</u>
	<u><u>70,952,423</u></u>	<u><u>82,986,733</u></u>

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Details of the subsidiary companies are:

Name of subsidiary	Activities	Class of shares	% shareholding 2021 & 2020	Country of subsidiary
Seychelles Pioneer Limited	Rental of tanker	Ordinary	100	Isle of Man
Seychelles Progress Limited	Rental of tanker	Ordinary	100	Isle of Man
Seychelles Patriot Limited	Rental of tanker	Ordinary	100	Isle of Man
Seychelles Prelude Limited	Rental of tanker	Ordinary	100	Isle of Man

The year-end of all the subsidiaries is December 31.

- (b) The loans receivable are unsecured, non-interest bearing, are denominated in Euro and do not have any fixed repayment terms. The Directors are of the opinion that these should be classified as non-current assets.
- (c) The carrying amounts of the receivables approximate their amortised costs.
- (d) Summarised financial information in respect of the Group's subsidiaries.

Summarised Statement of Financial Position and Statement of Profit or Loss and Other comprehensive income

December 31, 2021

	Seychelles Pioneer Limited USD'000	Seychelles Progress Limited USD'000	Seychelles Patriot Limited USD'000	Seychelles Prelude Limited USD'000
Non-current assets	7,782	8,180	15,940	15,464
Non-current liabilities	10,339	11,771	25,787	22,765
Current liabilities	5	3	3	3
Revenue	1,376	1,376	1,677	1,677
Profit for the year and total comprehensive income	384	346	139	163

December 31, 2020

	Seychelles Pioneer Limited USD'000	Seychelles Progress Limited USD'000	Seychelles Patriot Limited USD'000	Seychelles Prelude Limited USD'000
Non-current assets	9,456	9,929	18,880	18,336
Non-current liabilities	12,630	14,185	29,720	26,435
Current liabilities	5	3	3	3
Revenue	1,401	1,401	1,706	1,706
Profit for the year and total comprehensive income	458	421	242	264

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

*Summarised cash flow information*December 31, 2021

	Seychelles Pioneer Limited USD'000	Seychelles Progress Limited USD'000	Seychelles Patriot Limited USD'000	Seychelles Prelude Limited USD'000
Operating activities	1,357	1,357	1,657	1,655
Financing activities	(1,357)	(1,357)	(1,657)	(1,655)
Net change in cash and cash equivalents	-	-	-	-

December 31, 2020

	Seychelles Pioneer Limited USD'000	Seychelles Progress Limited USD'000	Seychelles Patriot Limited USD'000	Seychelles Prelude Limited USD'000
Operating activities	1,390	1,390	1,697	1,696
Financing activities	(1,390)	(1,390)	(1,697)	(1,696)
Net change in cash and cash equivalents	-	-	-	-

(e) Credit Loss Allowances

Taking into account the environment in which the subsidiaries operate, the Directors of the Group considered that the investments are not impaired and therefore ECL has been estimated as nil (2020: nil).

8. INVESTMENT IN FINANCIAL ASSETS

(a) Equity Instruments at fair value through other comprehensive income

	THE GROUP AND THE COMPANY	
	2021	2020
	USD	USD
At January 1,	2,881	4,444
Net increase / (decrease) in fair value (note 13)	1,291	(1,563)
At December 31,	4,172	2,881

- (i) The above quoted equity instruments at fair value through other comprehensive income comprises shares listed on the Australian Stock exchange denominated in Australian Dollars.
- (ii) Equity instrument at fair value through other comprehensive income for the Group are classified within Level 1 of the Fair Value Hierarchy.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

8. INVESTMENT IN FINANCIAL ASSETS (CONT'D)

(b) *Investments at amortised cost*

	THE GROUP AND THE COMPANY	
	2021	2020
	USD	USD
At January 1,	6,788,401	6,742,860
Additions	-	7,473,495
Matured	(10,105,954)	(4,370,755)
Accrued interest	276,804	71,230
Exchange gain / (loss)	3,040,749	(3,128,429)
At December 31,	-	6,788,401

- (i) The investment in financial assets at amortised costs was in respect of Treasury bills with interest ranging from 4.8% to 6.5% and all matured in 2021.
- (ii) No provision for expected credit losses was expected since the risk of default of Treasury bills issued by the Central Bank of Seychelles is negligible.

9. INVENTORIES

	THE GROUP AND THE COMPANY	
	2021	2020
	USD	USD
Petroleum products	17,121,829	10,611,633
Lubricants	624,234	483,431
Others	1,624,975	1,004,580
	19,371,038	12,099,644

- (a) The cost of inventories recognised as an expense and included in cost of sales amounted to USD 201,358,335 (2020: USD 149,528,125) for the Group and USD 207,464,603 (2020: 155,742,420) for the Company (note 19).

10. TRADE AND OTHER RECEIVABLES

	THE GOUP AND THE COMPANY	
	2021	2020
	USD	USD
Trade receivables	28,212,423	17,323,862
Less: provision for impairment (notes 10(c) & (d))	(4,573,663)	(2,728,947)
	23,638,760	14,594,915
Prepayments	10,597,633	4,594,500
Others	320,116	289,410
Tax receivable (note 17)	642,997	-
	35,199,506	19,478,825

- (a) The carrying values of trade and other receivables approximates their amortised costs.
- (b) Other classes of financial assets included within trade and other receivables do not contain impaired assets.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

10. TRADE AND OTHER RECEIVABLES (CONT'D)**(c) Credit Loss Allowances (Cont'd)**

The average credit period on trade receivables is 30 days. No interest is charged on outstanding trade receivables.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

The following table details the risk profile of Trade receivables based on the Group's provision matrix. The customers of the Group and Company based on similar credit risk, characteristics, namely are as below. There has been no changes in classification of subgroups as compared to previous period.

THE GROUP AND THE COMPANY

At December 31, 2021

	Trade Receivables-days past due				Total
	0-30 days	31-60 days	61-90 days	>90 days	
Expected credit loss rate (%)	2.08%	6.06%	30.69%	85.87%	16.21%
Total estimated gross carrying amount	22,308,144	757,788	644,166	4,502,325	28,212,423
Estimated gross carrying amount at default - International	14,128,347	757,788	644,166	1,084,622	16,614,923
Estimated gross carrying amount at default - Local	8,179,797	-	-	3,417,703	11,597,500
Total Lifetime ECL (note 10(d))	463,768	45,959	197,671	3,866,265	4,573,663

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

10. TRADE AND OTHER RECEIVABLES (CONT'D)

(c) Credit Loss Allowances (Cont'd)

At December 31, 2020	Trade Receivables-days past due				Total
	0-30 days	31-60 days	61-90 days	>90 days	
	2.41%	7.42%	27.66%	62.59%	31.93%
Total estimated gross carrying amount	13,264,339	34,949	322,628	3,701,961	17,323,877
Estimated gross carrying amount at default - International	6,097,495	22,009	1,679	2,426,509	8,547,692
Estimated gross carrying amount at default - Local	7,166,844	12,940	320,949	1,275,452	8,776,185
Total Lifetime ECL (note 10(d))	320,174	2,594	89,241	2,316,938	2,728,947

(d) Movement in allowance for credit loss

	THE GROUP AND THE COMPANY	
	2021	2020
At January 1,		USD
Charge / (Credit) for the year	2,728,947	4,465,596
Exchange differences	629,482	(318,593)
At December 31, (note 10(c))	1,215,234	(1,418,056)
	4,573,663	2,728,947

Sensitivity analysis

If the ECL rates on trade receivables above 90 days past due had been 5% higher/(lower) as of December 2021, the loss allowance would have been USD 193.3k (2020: USD 115.8 k) higher/(lower).

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

10. TRADE AND OTHER RECEIVABLES (CONT'D)

- (e) Others include loans and receivables which are short term staff loans which are offset against their monthly salaries and risk of default has been estimated by the Directors as nil.
- (f) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collaterals as securities.

11. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

	<u>THE GROUP AND THE COMPANY</u> USD
Reclassification and At December 31, (notes 5(a) & (b) & 11(a))	<u>4,610,484</u>

- (a) Per December 9, 2021 resolution, the Board members agreed to sell the Seychelles Pride for USD 5.9m to Northern Tankers DMCC. Since the criteria required by IFRS 5 "Non Current Assets Held for Sale and Discontinued Operations" were met, the tanker was therefore reclassified as a "Non current asset held for sale" on the face of the Statement of Financial Position as at December 31, 2021.

12. SHARE CAPITAL

	<u>THE GROUP AND THE COMPANY</u>	
	<u>Number of shares</u>	<u>Amount USD</u>
<i>Ordinary shares</i>		
At December 31, 2021 & 2020	<u>2,000</u>	<u>8,595,053</u>

The total authorised number of ordinary shares is 2,000 shares (2020: 2,000 shares) with a par value of SR 25,000 per share. All issued shares are fully paid.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

13. OTHER RESERVES

(a) THE GROUP

	Currency translation deficit	Revaluation reserves	Equity instrument at fair value through other comprehensive income reserve	Total
	USD	USD	USD	USD
At January 1, 2020	(38,734,696)	306,817,885	(303)	268,082,886
Decrease in fair value of equity instruments at fair value through other comprehensive income (note 8(a))	-	-	(1,563)	(1,563)
Exchange differences	(51,482,209)	-	-	(51,482,209)
At December 31, 2020	(90,216,905)	306,817,885	(1,866)	216,599,114
Decrease in fair value of equity instruments at fair value through other comprehensive income (note 8(a))	-	-	1,291	1,291
Exchange differences	37,928,752	-	-	37,928,752
At December 31, 2021	(52,288,153)	306,817,885	(575)	254,529,157

13. OTHER RESERVES (CONT'D)

(b) THE COMPANY

	Currency translation deficit	Revaluation reserves	Equity instrument at fair value through other comprehensive income reserve	Total
	USD	USD	USD	USD
At January 1, 2020	(38,699,017)	306,817,885	(303)	268,118,565
Decrease in fair value of equity instruments at fair value through other comprehensive income (note 8(a))	-	-	(1,563)	(1,563)
Exchange differences	(49,656,684)	-	-	(49,656,684)
At December 31, 2020	(88,355,701)	306,817,885	(1,866)	218,460,318
Decrease in fair value of equity instruments at fair value through other comprehensive income (note 8(a))	-	-	1,291	1,291
Exchange differences	35,102,277	-	-	35,102,277
At December 31, 2021	(53,253,424)	306,817,885	(575)	253,563,886

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

14. DEFERRED TAXES

- (a) Deferred taxes are calculated on all temporary differences under the liability method at 25% (2020: 30%) for the Group and 25% (2020: 30%) for the Company at December 31, 2021.

There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets and liabilities when the deferred taxes relate to the same fiscal authority on the same entity. The following amounts are shown in the Statement of Financial Position:

	THE GROUP AND THE COMPANY	
	2021	2020
	USD	USD
Deferred tax assets (note 14(c)(i))	(12,204,855)	(823,262)
Deferred tax liabilities (note 14(c)(ii))	19,873,868	25,468,887
	<u>7,669,013</u>	<u>24,645,625</u>

- (b) The movement on the deferred tax account is as follows:

	THE GROUP AND THE COMPANY	
	2021	2020
	USD	USD
At January 1,	24,645,625	16,131,635
(Credit) / Charge for the year	(28,026,657)	14,556,898
Exchange differences	11,050,045	(6,042,908)
At December 31,	<u>7,669,013</u>	<u>24,645,625</u>

(Credit) / Charge for the year is analysed as follows:

Statement of Profit or Loss (note 17(b))	<u>(28,026,657)</u>	<u>14,556,898</u>
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- (c) The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same fiscal authority on the same entity, is shown subsequently.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

14. DEFERRED TAXES (CONT'D)

(i) *Deferred tax assets*THE GROUP AND THE COMPANY

	All provisions	Unrealised exchange losses	Lease liabilities	Total
	USD	USD	USD	USD
At January 1, 2020	(1,883,541)	-	(10,933)	(1,894,474)
Credit for the year	74,350	-	330,794	405,144
Exchange differences	662,222	-	3,846	666,068
At December 31, 2020	(1,146,969)	-	323,707	(823,262)
Charge / (Credit) for the year	95,140	(10,637,800)	(469,817)	(11,012,477)
Deferred tax at old rate	(218,076)	(12,765,360)	(470,012)	(13,453,448)
Impact of change in tax rate	313,216	2,127,560	195	2,440,971
Exchange differences	(514,252)	-	145,136	(369,116)
At December 31, 2021	(1,566,081)	(10,637,800)	(974)	(12,204,855)

(ii) *Deferred tax liabilities*THE GROUP AND THE COMPANY

	Accelerated tax depreciation	Unrealised exchange gains	Revaluation of assets	Total
	USD	USD	USD	USD
At January 1, 2020	6,543,003	(2,199,168)	13,682,274	18,026,109
Charge for the year	2,228,808	11,922,946	-	14,151,754
Exchange differences	(2,669,277)	773,656	(4,813,355)	(6,708,976)
At December 31, 2020	6,102,534	10,497,434	8,868,919	25,468,887
(Charge) / Credit for the year	330,749	(15,204,036)	(2,140,893)	(17,014,180)
Deferred tax at old rate	2,164,629	(15,204,036)	-	(13,039,407)
Impact of change in tax rate	(1,833,880)	-	(2,140,894)	(3,974,774)
Exchange differences	2,736,116	4,706,602	3,976,443	11,419,161
At December 31, 2021	9,169,399	-	10,704,469	19,873,868

15. RETIREMENT BENEFIT OBLIGATIONS

Other post retirement benefits

Other post retirement benefits comprise mainly of severance allowances payable under the Seychelles Employment Act and other benefits.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

15. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

Movement in the severance allowances is as follows:

	THE GROUP AND THE COMPANY	
	2021	2020
	USD	USD
At January 1,	1,094,282	1,812,873
Charge to the Statement of Profit or Loss (note 24)	261,155	305,427
Payment during the year	(155,406)	(386,258)
Exchange differences	490,630	(637,760)
At December 31,	<u>1,690,661</u>	<u>1,094,282</u>

16. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	USD	USD	USD	USD
Trade payables	36,316,187	19,014,926	36,316,187	19,014,926
Accrued expenses	7,277,913	2,601,198	7,277,913	2,601,198
Other payables	1,566,001	1,406,164	1,552,535	1,391,537
Tax liability (note 17(a))	-	3,903,492	-	3,903,492
	<u>45,160,101</u>	<u>26,925,780</u>	<u>45,146,635</u>	<u>26,911,153</u>

(a) Trade and other payables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	USD	USD	USD	USD
US Dollars	29,641,181	13,922,095	29,641,181	13,922,095
Euro	5,649,221	1,367,141	5,635,755	1,357,141
Seychelles Rupee	9,530,539	11,241,750	9,530,539	11,241,750
Others	339,160	394,794	339,160	390,167
	<u>45,160,101</u>	<u>26,925,780</u>	<u>45,146,635</u>	<u>26,911,153</u>

17. TAX EXPENSE

(a) *Statement of Financial Position*

	THE GROUP AND THE COMPANY	
	2021	2020
	USD	USD
At January 1,	3,903,492	505,994
Paid during the year	(10,450,064)	(5,782,985)
Charge for the year (note 17(b))	5,903,575	9,180,483
At December 31,	<u>(642,997)</u>	<u>3,903,492</u>
<i>Disclosed under:</i>		
Trade and other receivables (note 10)	(642,997)	
Trade and other payables (note 16)		<u>3,903,492</u>

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

17. TAX EXPENSE (CONT'D)

(b) *Statement of Profit or Loss*

	THE GROUP AND THE COMPANY	
	2021	2020
	USD	USD
Current tax on the adjusted profit for the year at applicable tax rates (note 17(c))	5,903,575	9,180,483
Deferred tax (credit) / charge (note 14(b))	(28,026,657)	14,556,898
Taxation charge	(22,123,082)	23,737,381

(c) The tax on the Company's profit before taxation differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	USD	USD	USD	USD
(Loss) / Profit before taxation	(33,915,627)	59,176,540	(34,947,960)	57,791,627
Tax calculated at applicable tax rates (note 17(d))	12,483,943	17,750,160	13,024,152	17,334,686
Income not subject to tax	-	-	-	-
Expenses not deductible for tax purposes	(9,865,158)	(11,338,181)	(10,405,367)	(10,922,707)
Excess of depreciation over capital allowance	3,284,790	2,768,504	3,284,790	2,768,504
	5,903,575	9,180,483	5,903,575	9,180,483

(d) Applicable tax rates under the Business Tax Act, 2009 are as follows:

Taxable income	Tax rates - %
	2021 & 2020
≤ SR. 1,000,000	25%
> SR. 1,000,000	30%

Change in tax rates - effective 2022

In exercise of the powers conferred by section 81 of the Business Tax Act 2009, the Minister of Finance, Economic Planning and Trade announced changes to tax rates for all Companies effective January 1, 2022, as shown below:

≤ SR. 1,000,000	15%
> SR. 1,000,000	25%

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

18. REVENUE

	THE GROUP AND THE COMPANY	
	2021	2020
	USD	USD
Sales of products	277,159,473	223,359,556
Sales of services	30,840,930	39,020,767
	308,000,403	262,380,323

19. EXPENSES BY NATURE

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	USD	USD	USD	USD
Cost of inventories recognised as expense (note 9(a))	201,358,335	149,528,125	207,464,603	155,742,420
Depreciation (note 5(c))	17,964,940	17,190,097	12,971,430	12,403,033
Amortisation of right-of-use assets (note 6(a))	385,898	57,409	385,898	57,409
Duties and taxes	36,737,489	36,690,937	36,737,489	36,690,937
Bareboat charter fees	5,952,489	6,133,221	5,952,489	6,133,221
Bunkering costs	12,500,324	9,039,593	12,500,324	9,039,593
Ship running expenses	14,733,513	19,374,260	14,733,513	19,374,260
Port agency costs	10,754,299	9,750,662	10,754,299	9,750,662
Employee benefit expense (note 23)	3,947,451	4,109,306	3,947,451	4,109,306
Other expenses	6,330,305	6,826,540	6,249,880	6,784,222
Total cost of sales, selling and marketing and administrative expenses	310,665,043	258,700,150	311,697,376	260,085,063

(a) Analysed as:

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	USD	USD	USD	USD
Cost of sales	299,743,305	246,868,304	300,856,063	248,295,533
Selling and marketing expenses	32,201	30,630	32,201	30,630
Administrative expenses	10,889,537	11,801,216	10,809,112	11,758,900
	310,665,043	258,700,150	311,697,376	260,085,063

20. OTHER INCOME

	THE GROUP AND THE COMPANY	
	2021	2020
	USD	USD
Demurrage claims	3,526,764	3,025,270
Storage and throughput	2,326,876	2,762,178
Deviations and other recoveries	1,747,975	1,877,138
Rental income (note 23)	214,456	247,572
Gain on disposal of property and equipment (note 23)	26,723	24,732
Sundry income	82,229	62,042
	7,925,023	7,998,932

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

21. OTHER LOSSES - NET

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	USD	USD	USD	USD
Net foreign exchange (losses) / gains on operations	(38,606,943)	46,948,677	(38,606,943)	46,948,677

Included in the net movement in exchange (losses) / gains figure above is an exchange loss of SR 644.9m (2020: gain of SR 768.1m) which arose from the conversion of Euro denominated receivables to Seychelles Rupee. This resulted in exchange loss of USD 34.6m (2020: gain of USD 41.3m) included in the net foreign exchange (losses) / gains figure.

22. NET FINANCE INCOME

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	USD	USD	USD	USD
Interest income	289,552	251,135	289,552	251,135
Finance costs on lease liabilities (note 6(b))	(229,137)	(20,970)	(229,137)	(20,970)
Net finance income	60,415	230,165	60,415	230,165

23. (LOSS) / PROFIT BEFORE TAXATION

(Loss) / Profit before taxation is arrived at after:

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	USD	USD	USD	USD
<i>Crediting:</i>				
Rental income (note 20)	214,456	247,572	214,456	247,572
Gain on disposal of equipment (note 20)	26,723	24,732	26,723	24,732
<i>and Charging:</i>				
Depreciation charge on property and equipment (note 5)	17,964,940	17,190,097	12,971,430	12,403,033
Amortisation of right-of-use assets (note 6(a))	385,898	57,409	385,898	57,409
Charge / (Reversal) for credit impairment (note 10(d))	629,482	(318,593)	629,482	(318,593)
Finance cost on lease liabilities (note 6(b))	229,137	20,970	229,137	20,970
Directors' remuneration (note 23(a))	103,025	108,923	103,025	108,923
Audit fees	27,354	27,354	22,490	22,490
Employee benefit expense (note 24)	3,947,451	4,109,306	3,947,451	4,109,306

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

23. (LOSS) / PROFIT BEFORE TAXATION (CONT'D)

(a) Directors' fees and other emoluments are detailed below:

	THE GROUP AND THE COMPANY	
	2021	2020
	USD	USD
S Fanny	-	2,916
V Laporte	3,561	3,786
P Samson	-	2,916
E Belle	1,007	3,786
S Gendron	5,342	5,415
S Patel	3,561	3,786
S Romain	1,510	807
M Nalletamby	3,561	870
Y Vel	3,561	870
C Benoiton	80,922	83,771
	<u>103,025</u>	<u>108,923</u>

24. EMPLOYEE BENEFIT EXPENSES

	THE GROUP AND THE COMPANY	
	2021	2020
	USD	USD
Salaries and wages	3,686,296	3,803,879
Retirement benefit obligations (note 15)	261,155	305,427
	<u>3,947,451</u>	<u>4,109,306</u>

25. COMMITMENTS

(a) *Capital commitments*

Capital expenditure contracted for at the date of the reporting period but not recognised in these financial statements is as follows:

	THE GROUP AND THE COMPANY	
	2021	2020
	USD'000	USD'000
Property, plant and equipment	<u>1,447</u>	<u>1,949</u>

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

26. NOTES TO THE CASH FLOW STATEMENTS

	Notes	THE GROUP		THE COMPANY	
		2021 USD	2020 USD	2021 USD	2020 USD
(a) Cash generated from operations					
(Loss) / Profit before taxation	Page 5	(33,915,627)	59,176,540	(34,947,960)	57,791,627
<i>Adjustments for:</i>					
Depreciation on property, plant and equipment	5	17,964,940	17,190,097	12,971,430	12,403,033
Assets written off	5	-	99,997	-	99,997
Amortisation of right-of-use assets	6(a)	385,898	57,409	385,898	57,409
Accrued interest on Investment in financial assets	8(b)	(276,804)	(71,230)	(276,804)	(71,230)
Provision for credit impairment	10(d)	629,482	(318,593)	629,482	(318,593)
Profit on disposal of equipment	20	(26,723)	(24,732)	(26,723)	(24,732)
Finance income	22	(289,552)	(251,135)	(289,552)	(251,135)
Finance costs	22	229,137	20,970	229,137	20,970
Charge of retirement benefit obligation	15	261,155	305,427	261,155	305,427
		(15,038,094)	76,184,750	(21,063,937)	70,012,773
<i>Changes in working capital</i>					
- (Increase) / Decrease in inventories		(7,271,394)	2,988,795	(7,271,394)	2,988,795
- (Increase) / Decrease in trade and other receivables		(16,922,400)	15,378,077	(16,922,400)	15,378,077
- Increase / (Decrease) in trade and other payables		22,137,813	(6,693,835)	22,138,974	(6,695,130)
Cash (used in) / generated from operations		(17,094,075)	87,857,787	(23,118,757)	81,684,515
(b) Cash and cash equivalents					
		THE GROUP AND THE COMPANY		THE GROUP AND THE COMPANY	
		2021 USD		2020 USD	
Cash in hand		3,246		2,200	
Bank balances		35,381,624		21,754,820	
		35,384,870		21,757,020	

27. RELATED PARTY TRANSACTIONS

THE GROUP

	Subsidiary companies		Other related corporations		Directors	
	2021	2020	2021	2020	2021	2020
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Amount due to	-	-	43	28	-	-
Amount due from	70,938	82,972	5,369	11,953	-	-
Remuneration	15	15	-	-	274	352
Purchases of products and services	-	-	770	1,033	-	-
Sales	6,106	6,214	57,319	50,900	-	-

THE COMPANY

	Subsidiary companies		Other related corporations		Directors	
	2021	2020	2021	2020	2021	2020
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Amount due to	-	-	43	28	-	-
Amount due from	70,938	82,972	5,369	11,953	-	-
Investment in	15	15	-	-	-	-
Remuneration	-	-	-	-	274	352
Bareboat charter fees	6,106	6,214	-	-	-	-
Technical management fees	-	-	-	-	-	-
Purchases of goods and services	-	-	770	1,033	-	-
Sales	-	-	57,319	50,900	-	-

(c) The above transactions have been made at arm's length, on normal commercial terms and in the ordinary course of business except for transactions extended to selected industry sectors which were at subsidised value.

(d) Outstanding balances with related parties at the year-end are unsecured and interest free. Impairment of receivables relating to amounts owed by related parties has been included in note 10(c). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

27. RELATED PARTY TRANSACTIONS (CONT'D)

(e) Key management personnel

Key management personnel comprises the Chief Executive Officer and General Managers as they have authority and responsibility for the planning, directing and controlling the activities of the Company.

	THE GROUP AND THE COMPANY	
	2021	2020
	USD	USD
Salaries & other benefits	268,478	344,609
Pension costs	5,679	7,212
	<u>274,157</u>	<u>351,821</u>

28. DIVIDENDS

The Directors proposed and paid a dividend of USD 8,248 per share amounting to USD 16.5m during year under review (2020: Dividends proposed and paid USD 10.5m (USD 5,234 per share)).

(a) PROPOSED AND PAID

	THE GROUP AND THE COMPANY	
	2021	2020
	USD	USD
Dividend proposed	16,496,097	10,467,423
Paid during the year	(16,496,097)	(10,467,423)
At December 31,	-	-

29. FIVE YEAR FINANCIAL SUMMARY

(a) THE GROUP

	2021	2020	2019	2018	2017*
	USD'000	USD'000	USD'000	USD'000	USD'000
(Loss) / Profit for the year	(11,792)	35,439	16,906	6,298	21,472
Other comprehensive (expense) / income	(1,059)	(543)	477	2,466	(4,948)
Retained earnings brought forward / restated	129,107	104,678	101,355	99,552	90,937
Reclassification	-	-	-	3,600	-
Profit available for distribution	116,256	139,574	118,738	111,916	107,461
Dividends	(16,496)	(10,467)	(14,060)	(10,561)	(6,564)
Retained earnings carried forward	<u>99,760</u>	<u>129,107</u>	<u>104,678</u>	<u>101,355</u>	<u>100,897</u>
Capital & reserves					
Share capital	8,595	8,595	8,595	8,595	8,595
Other reserves	254,529	216,599	268,304	268,304	275,068
Retained earnings	99,760	129,107	104,678	101,355	100,897
Owners' interest	362,884	354,301	381,577	378,254	384,560
Non-controlling interest	-	-	-	-	-
Total equity	<u>362,884</u>	<u>354,301</u>	<u>381,577</u>	<u>378,254</u>	<u>384,560</u>

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

29. FIVE YEAR FINANCIAL SUMMARY (CONT'D)

(b) THE COMPANY

	2021	2020	2019	2018	2017*
	USD'000	USD'000	USD'000	USD'000	USD'000
(Loss) / Profit for the year	(12,825)	34,054	15,665	5,243	20,237
Retained earnings brought forward / restated	153,647	130,060	128,455	130,173	117,844
Reclassification	-	-	-	3,600	-
Profit available for distribution	140,822	164,114	144,120	139,016	138,081
Dividends	(16,496)	(10,467)	(14,060)	(10,561)	(6,564)
Retained earnings carried forward	<u>124,326</u>	<u>153,647</u>	<u>130,060</u>	<u>128,455</u>	<u>131,517</u>
Capital & reserves					
Share capital	8,595	8,595	8,595	8,595	8,595
Other reserves	253,563	218,460	268,118	268,301	273,932
Retained earnings	124,326	153,647	130,060	128,455	131,517
Total equity	<u>386,484</u>	<u>380,702</u>	<u>406,773</u>	<u>405,351</u>	<u>414,044</u>

- * The financial statements prior 2018 were not adjusted to reflect the adoption of the requirements of IFRS 9 in respect of impairment, since the Group availed itself of the transition exemption of IFRS 9 where all adjustments following implementation were recognised through Retained Earnings as at January 1, 2018 with no changes to comparatives.