

SEYCHELLES PETROLEUM COMPANY LIMITED AND ITS SUBSIDIARIES

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<b>DIRECTORS</b>	<p>: <b><i>Appointed effective August 15, 2022</i></b> Jennifer Morel (Chairperson) Brian Commettant Patrick Joseph Muhammad D. Saley Yannick Vel Tony P. Imaduwa Nichol Elizabeth Marie-May Jeremie Marc D. Hoareau</p> <p><b><i>Resigned effective August 15, 2022</i></b> Selwyn Gendron (Chairperson) Veronique Laporte Michael Nalletamby Yannick Vel</p> <p>Conrad Benoiton (Chief Executive Officer) (<i>Retired effective April 1, 2022</i>)</p> <p>Suketu Patel (Resigned effective May 24, 2022)</p>
<b>SECRETARY</b>	<p>: Corporate Registrars (Pty) Limited P O Box 18, The Creole Spirit Victoria, Mahé Seychelles</p>
<b>REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS</b>	<p>: Newport, Victoria, Mahé Seychelles</p>
<b>AUDITORS</b>	<p>: BDO Associates Chartered Accountants Seychelles</p>
<b>BANKERS</b>	<p>: The Mauritius Commercial Bank (Seychelles) Limited Absa Bank (Seychelles) Limited The Mauritius Commercial Bank Limited Seychelles International Mercantile Banking Corporation Limited Ostfriesische Volksbank eG</p>

DIRECTORS' REPORT - YEAR ENDED DECEMBER 31, 2022

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The Directors are pleased to submit their report of Seychelles Petroleum Company Limited (SEYPEC) (referred to as "the Company") & Its Subsidiary (referred to as "the Group") for the year ended December 31, 2022.

**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 EVENTS*****(a) Disposal of 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. Desktop valuations of the Company's deep-sea fleet were 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 5.9m 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 Directors 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. The Tanker was eventually sold to Northern Tankers on January 31, 2022 for USD 5.9m.

***(b) Revaluation of immovables***

The Company engaged Ramboll Deutschland GMB on February 13, 2023 to perform a valuation of Seypec's buildings, tanks, pumps and petrol stations (immovables) which are carried at revalued amounts based on periodic triennial valuations.

The evaluation was based on the replacement cost which comprised all works necessary to construct the assets. The Valuer conducted a site visit to determine the fair value. The determination of fair value was based on qualitative approach, incorporating de-rating of the total costs, i.e, considering the wear and tear of the assets. The assets were however, only inspected and considered based on their outside appearance.

Based the above, a revaluation loss of USD 7.8m was arrived at and booked in the financial statements (refer to note 5 of the financial statements).

***(c) Change in functional currency***

At the end of 2021, Management re-assessed the Company's functional currency. The re-assessment was performed in line with the primary economic environment in which the Company operates, which is normally the one in which it primarily generates and expends cash.

**CURRENT YEAR EVENTS (CONT'D)*****(c) Change in functional currency (Cont'd)***

Management considered the following:

- The currency that mainly influences sales prices for goods and services (the currency in which sales prices for its goods and services are denominated and settled);
- Currency of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services; and
- The currency that mainly influences labour, material and other costs of providing goods or services (the currency in which such costs are denominated and settled).

Based on the above factors, Management settled on the US Dollar to be the Company's functional and recording currency. The change in functional currency was adopted effective January 1, 2022, with SR balances converted to USD at the rate of USD 1: SR 15.15.

**FINANCIAL PERFORMANCE**

The net reported profit for the year amounted to **USD 22.4m** (2021: loss of USD 11.8m) for the Group and **USD 20.6m** (2021: loss of USD 12.8m) for the Company.

**DIVIDENDS**

The Director proposed and paid dividends amounting to **USD 17.2m** for the year under review (2021: USD 16.5m proposed and paid) (note 29).

**PROPERTY, PLANT AND EQUIPMENT**

The property, plant and equipment of the Group 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.

**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*****Appointed effective August 15, 2022***

Jennifer Morel (Chairperson)  
Brian Commettant  
Patrick Joseph  
Muhammad D. Saley  
Yannick Vel

Tony P. Imaduwa  
Nichol Elizabeth  
Marie-May Jeremie  
Marc D. Hoareau



**DIRECTORS AND DIRECTORS' INTERESTS (CONT'D)*****Resigned effective May 24, 2022***

Suketu Patel

***Resigned effective August 15, 2022***Selwyn Gendron (Chairperson)  
Veronique LaporteMichael Nalletamby  
Yannick Vel

Conrad Benoiton (Chief Executive Officer) (Retired effective April 1, 2022)

**Subsidiaries**(i) **Seychelles Patriot Limited**(ii) **Seychelles Pioneer Limited**(iv) **Seychelles Prelude Limited**(iii) **Seychelles Progress Limited**F Racombo  
U RomainR Hoareau  
S Romain

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

**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.

DIRECTORS' REPORT - YEAR ENDED DECEMBER 31, 2022

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BOARD APPROVAL



Jennifer Morel  
Director



Brian Commettant  
Director



Patrick Joseph  
Director



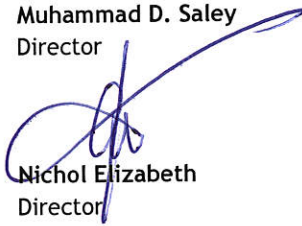
Muhammad D. Saley  
Director



Yannick Vel  
Director



Tony P. Imaduwa  
Director



Nichol Elizabeth  
Director



Marie-May Jeremie  
Director



Marc D. Hoareau  
Director

Date: 31 MAY 2023  
Victoria, Seychelles

## SEYCHELLES PETROLEUM COMPANY LIMITED AND ITS SUBSIDIARIES

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

#### Report on the audit of the Financial Statements

##### Opinion

We have audited the consolidated and separate financial statements of **SEYCHELLES PETROLEUM COMPANY LIMITED** (the Company) **AND ITS SUBSIDIARIES** (the Group) on pages 4 to 51 which comprise the Statements of Financial Position as at December 31, 2022, 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, 2022 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 Seychelles 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 Seychelles 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.

##### 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.



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

## Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

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.

**Report on Other Legal and Regulatory Requirements**

*Seychelles 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.



SEYCHELLES PETROLEUM COMPANY LIMITED AND ITS SUBSIDIARIES

3(b)

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

Report on Other Legal and Regulatory Requirements (Cont'd)

*Seychelles Companies Act, 1972 (Cont'd)*

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 Seychelles 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 auditor's 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.

BDO ASSOCIATES

**BDO ASSOCIATES**  
Chartered Accountants

Dated: 31 MAY 2023  
Victoria, Seychelles

## STATEMENTS OF FINANCIAL POSITION - DECEMBER 31, 2022

	Notes	THE GROUP		THE COMPANY	
		2022	2021	2022	2021
		USD	USD	USD	USD
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	176,186,517	321,521,584	136,089,839	274,155,287
Right-of-use assets	6(a)	2,217,060	2,315,958	2,217,060	2,315,958
Intangible assets	7	1,526,402	1,371,724	1,526,402	1,371,724
Investment in subsidiaries	8	-	-	60,491,623	70,952,423
Investment in financial assets	9(a)	-	4,172	-	4,172
		<u>179,929,979</u>	<u>325,213,438</u>	<u>200,324,924</u>	<u>348,799,564</u>
<b>Current assets</b>					
Inventories	10	34,412,868	19,371,038	34,412,868	19,371,038
Trade and other receivables	11	34,345,274	35,199,506	34,345,274	35,199,506
Cash and cash equivalents	27(b)	81,900,518	35,384,870	81,900,518	35,384,870
		<u>150,658,660</u>	<u>89,955,414</u>	<u>150,658,660</u>	<u>89,955,414</u>
Non-current asset held for sale	12	-	4,610,484	-	4,610,484
		<u>150,658,660</u>	<u>94,565,898</u>	<u>150,658,660</u>	<u>94,565,898</u>
<b>Total assets</b>		<u><b>330,588,639</b></u>	<u><b>419,779,336</b></u>	<u><b>350,983,584</b></u>	<u><b>443,365,462</b></u>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>					
Share capital	13	3,299,219	8,595,053	3,299,219	8,595,053
Other reserves	14	223,312,160	254,529,157	223,789,687	253,563,886
Retained earnings		19,296,722	99,760,357	39,227,869	124,325,220
		<u>245,908,101</u>	<u>362,884,567</u>	<u>266,316,775</u>	<u>386,484,159</u>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Lease liabilities	6(b)	2,370,786	2,372,053	2,370,786	2,372,053
Deferred tax liabilities	15	5,182,488	7,669,013	5,182,488	7,669,013
Length of service provision	16	2,140,058	1,690,661	2,140,058	1,690,661
		<u>9,693,332</u>	<u>11,731,727</u>	<u>9,693,332</u>	<u>11,731,727</u>
<b>Current liabilities</b>					
Lease liabilities	6(b)	3,199	2,941	3,199	2,941
Trade and other payables	17	74,984,007	45,160,101	74,970,278	45,146,635
		<u>74,987,206</u>	<u>45,163,042</u>	<u>74,973,477</u>	<u>45,149,576</u>
<b>Total liabilities</b>		<u><b>84,680,538</b></u>	<u><b>56,894,769</b></u>	<u><b>84,666,809</b></u>	<u><b>56,881,303</b></u>
<b>Total equity and liabilities</b>		<u><b>330,588,639</b></u>	<u><b>419,779,336</b></u>	<u><b>350,983,584</b></u>	<u><b>443,365,462</b></u>

The notes on pages 9 to 51 form an integral part of these financial statements.  
Independent Auditor's Report on pages 3 to 3(b).

These financial statements have been approved for issue by the Board of Directors on: 31 MAY 2023



Jennifer Morel  
Director



Brian Commettant  
Director



Patrick Joseph  
Director



Muhammad D. Saley  
Director



Yannick Vel  
Director



Tony P. Imaduwa  
Director



Nichol Elizabeth  
Director



Marie-May Jeremie  
Director



Marc D. Hoareau  
Director

The notes on pages 9 to 51 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, 2022

	Notes	THE GROUP		THE COMPANY	
		2022	2021	2022	2021
		USD	USD	USD	USD
Revenue	19	485,282,121	308,000,403	485,282,121	308,000,403
Cost of sales	20(a)	(461,864,988)	(299,743,305)	(463,517,874)	(300,856,063)
Gross profit		23,417,133	8,257,098	21,764,247	7,144,340
Selling & marketing expenses	20(a)	(30,556)	(32,201)	(30,556)	(32,201)
Administrative expenses	20(a)	(13,008,743)	(10,889,537)	(12,967,672)	(10,809,112)
Other income	21	11,753,056	7,925,023	11,607,870	7,925,023
Reversal / (Charge) of credit impairment	11(d)	318,439	(629,482)	318,439	(629,482)
Other gains / (losses) - Net	22	2,732,689	(38,606,943)	2,732,689	(38,606,943)
		25,182,018	(33,976,042)	23,425,017	(35,008,375)
Finance costs	23	(221,841)	(229,137)	(221,841)	(229,137)
Finance income	23	9,430	289,552	9,430	289,552
Profit / (Loss) before taxation		24,969,607	(33,915,627)	23,212,606	(34,947,960)
Taxation (charge) / credit	18(b)	(2,572,964)	22,123,082	(2,572,964)	22,123,082
Profit / (Loss) for the year	24	22,396,643	(11,792,545)	20,639,642	(12,824,878)

The notes on pages 9 to 51 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

STATEMENTS OF OTHER COMPREHENSIVE INCOME - YEAR ENDED DECEMBER 31, 2022

	Notes	THE GROUP		THE COMPANY	
		2022	2021	2022	2021
		USD	USD	USD	USD
<b>Profit / (Loss) for the year</b>		<b>22,396,643</b>	<b>(11,792,545)</b>	<b>20,639,642</b>	<b>(12,824,878)</b>
Other comprehensive income:					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Currency translation differences					
- Other reserves	14	(23,378,516)	37,928,752	(21,935,718)	35,102,277
- Retained earnings		-	(1,058,253)	-	-
<i>Item that will not be reclassified to profit or loss</i>					
Equity instruments at fair value through other comprehensive income reserve	9 & 14	(4,172)	1,291	(4,172)	1,291
Other reserves - Loss on revaluation of immovables	14	(7,834,309)	-	(7,834,309)	-
<b>Other comprehensive income / (expense) for the year, net of tax</b>		<b>(31,216,997)</b>	<b>36,871,790</b>	<b>(29,774,199)</b>	<b>35,103,568</b>
<b>Total comprehensive income / (expense) for the year</b>		<b>(8,820,354)</b>	<b>25,079,245</b>	<b>(9,134,557)</b>	<b>22,278,690</b>
<b>Profit attributable to:</b>					
Owners of the parent		22,396,643	(11,792,545)	20,639,642	(12,824,878)
Non-controlling interest		-	-	-	-
<b>Total comprehensive income / (expense) for the year</b>		<b>22,396,643</b>	<b>(11,792,545)</b>	<b>20,639,642</b>	<b>(12,824,878)</b>
Owners of the parent		(8,820,354)	25,079,245	(9,134,557)	22,278,690
Non-controlling interest		-	-	-	-
<b>Total comprehensive income / (expense) for the year</b>		<b>(8,820,354)</b>	<b>25,079,245</b>	<b>(9,134,557)</b>	<b>22,278,690</b>

The notes on pages 9 to 51 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

STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED DECEMBER 31, 2022

	Attributable to owners of the parent						Non-Controlling Interest	Total Equity
	Note	Share Capital	Other Reserves	Retained Earnings	Total	USD		
<b>THE GROUP</b>								
At January 1, 2022		8,595,053	254,529,157	99,760,357	362,884,567	-	362,884,567	
Total comprehensive income for the year		-	-	22,396,643	22,396,643	-	22,396,643	
Effect of change in functional currency	13 & 14	(5,295,834)	(31,216,997)	(85,685,278)	(122,198,109)	-	(122,198,109)	
Dividends	29	-	-	(17,175,000)	(17,175,000)	-	(17,175,000)	
At December 31, 2022		3,299,219	223,312,160	19,296,722	245,908,101	-	245,908,101	
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	29	-	-	(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	
<b>THE COMPANY</b>								
At January 1, 2022								
Profit for the year				8,595,053	253,563,886	124,325,220	386,484,159	
Total comprehensive income for the year				-	-	20,639,642	20,639,642	
Dividends	13 & 14			(5,295,834)	(29,774,199)	(88,561,993)	(123,632,026)	
At December 31, 2022	29			-	-	(17,175,000)	(17,175,000)	
At January 1, 2021				8,595,053	218,460,318	153,646,195	380,701,566	
Total comprehensive income for the year				-	35,103,568	(12,824,878)	22,278,690	
Dividends	29			-	-	(16,496,097)	(16,496,097)	
At December 31, 2021				8,595,053	253,563,886	124,325,220	386,484,159	

The notes on pages 9 to 51 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, 2022

	Notes	THE GROUP		THE COMPANY	
		2022	2021	2022	2021
		USD	USD	USD	USD
<b>Cash flows generated from operations</b>					
<b>Cash generated from / (used in) operations</b>					
Finance income	23	61,489,458	(17,094,075)	55,329,580	(23,118,757)
		9,430	289,552	9,430	289,552
		<b>61,498,888</b>	<b>(16,804,523)</b>	<b>55,339,010</b>	<b>(22,829,205)</b>
Tax paid	18(a)	(4,471,926)	(10,450,064)	(4,471,926)	(10,450,064)
Retirement benefit obligations paid	16	(543,508)	(155,406)	(543,508)	(155,406)
<b>Net cash generated / (used in) from operating activities</b>		<b>56,483,454</b>	<b>(27,409,993)</b>	<b>50,323,576</b>	<b>(33,434,675)</b>
<b>Cash flows from investing activities</b>					
Purchase of property and equipment	5	(2,596,478)	(3,948,825)	(2,596,478)	(3,948,825)
Proceeds from sale of equipment		5,894,353	26,723	5,894,353	26,723
Repayment of lease liability	6(b)	(1,009)	(2,886)	(1,009)	(2,886)
Addition to financial assets	9(b)	-	-	-	-
Redemption of financial assets	9(b)	-	10,105,954	-	10,105,954
Finance costs	23	(221,841)	(229,137)	(221,841)	(229,137)
<b>Net cash generated from investing activities</b>		<b>3,075,025</b>	<b>5,951,829</b>	<b>3,075,025</b>	<b>5,951,829</b>
<b>Cash flows from financing activities</b>					
Dividends and Net cash used in financing activities	29(a)	(17,175,000)	(16,496,097)	(17,175,000)	(16,496,097)
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>42,383,479</b>	<b>(37,954,261)</b>	<b>36,223,601</b>	<b>(43,978,943)</b>
<b>Movement in cash and cash equivalents</b>					
At January 1,		35,384,870	21,757,020	35,384,870	21,757,020
Increase / (Decrease)		42,383,479	(37,954,261)	36,223,601	(43,978,943)
Foreign exchange differences		4,132,169	51,582,111	10,292,047	57,606,793
<b>At December 31,</b>	<b>27(b)</b>	<b>81,900,518</b>	<b>35,384,870</b>	<b>81,900,518</b>	<b>35,384,870</b>

The notes on pages 9 to 51 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 Seychelles 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**

The following amendments to various International Financial Reporting Standards (IFRS) are mandatorily effective for reporting periods beginning on or after January 1, 2022:

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

**i) Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)**

IAS 37 defines an onerous contract as a contract in which the unavoidable costs (costs that the Group has committed pursuant to the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.



**2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)****(b) New and amended standards and interpretations (Cont'd)****i) Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37) (Cont'd)**

The amendments to IAS 37.68A clarify that the costs relating directly to the contract consist of both:

- The incremental costs of fulfilling that contract - e.g., direct labour and material; and
- An allocation of other costs that relate directly to fulfilling the contract: e.g., allocation of depreciation charge on property, plant and equipment used in fulfilling the contract.

This resulted in accounting policy change for performing an onerous contract assessment. Previously, the Group included only incremental costs to fulfil a contract when determining whether that contract was onerous. The revised policy includes both incremental costs and an allocation of other costs incurred to fulfil the agreement.

*The amendments apply prospectively to contracts existing at the date when the amendments are first applied. The Group analysed contracts existing on January 1, 2022, and determined that none of them would be identified as onerous applying the revised accounting policy - i.e. there was no impact on opening equity balance as at January 1, 2022 as a result of the change.*

**ii) Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)**

The amendment to IAS 16 prohibits an entity deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced whilst the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced during the testing phase of a manufacturing facility after construction but before commencement of commercial production). The proceeds from selling such samples, together with the costs of producing them, are now recognised in Statement of Profit or Loss.

*These amendments had no impact on the year-end financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.*

**iii) Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9 & IAS 41)**

- IFRS 1: Subsidiary as a First-time Adopter (FTA);
- IFRS 9: Fees in the '10 per cent' Test for Derecognition of Financial liabilities; and
- IAS 41: Taxation in Fair Value Measurements.

*None of the amendments had an impact on the financial statements of the Group as it was neither a first-time adopter, nor had modifications to the financial instruments during the period nor had assets under IAS 41 as at the reporting date.*

**2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)****(b) New and amended standards and interpretations (Cont'd)****iv) References to Conceptual Framework**

In May 2020, the IASB issued amendments to IFRS 3, which updated a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

*These amendments had no impact on the Group's financial statements as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the year.*

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

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

**i) 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.

**ii) The following amendments are effective for the period beginning January 1, 2024:**

- IFRS 16 Leases (Amendment - Liability in a Sale and Leaseback);
- IAS 1 Presentation of Financial Statements (Amendment - Classification of Liabilities as Current or Non-current); and
- IAS 1 Presentation of Financial Statements (Amendment - Non-current Liabilities with Covenants).

*The Group is currently assessing the impact of these new accounting standards and amendments and does not expect any other standards issued by the IASB but not yet effective, to have a material impact on its financial statements.*

**(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. These revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

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, 2022

**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	5 - 20 years
Double hull tankers	25 years
Furniture and fittings	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.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

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**2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)****(e) Non-current assets held for sale (Cont'd)**

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.

**(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.

**2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)****(f) Investment in subsidiaries (Cont'd)***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.

**(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.

**2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)****(g) Financial instruments (Cont'd)****(a) Financial assets (Cont'd)****(i) Amortised cost (Cont'd)***Impairment of financial assets*

The Group assesses, on a forward looking basis, the expected credit losses ("ECL") associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group applies the simplified approach to measure ECL which uses lifetime expected losses to be recognised from initial recognition of its trade receivables. The ECL for other financial assets is applied using the general model.

No impairment was recognised for cash and cash equivalents since the Directors are of the opinion that the amount is negligible.

**(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).

**2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)****(g) Financial instruments (Cont'd)****(a) Financial assets (Cont'd)***Definition of default (Cont'd)*

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.

*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.



**2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)****(g) Financial instruments (Cont'd)****(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.

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.

**2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)****(j) Employee benefits (Cont'd)**

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.

*Length of service*

The amendments to the Seychelles Employment Act in the year 1999 entitled 5/6 of one day's wage for each completed month of service provided the employee has completed five years continuous service. The Group accrues this liability on a current basis and carries it to a provision account for payments to be made as and when they occur.

**(k) Foreign currencies***Functional and presentation currency*

Items included in the financial statements are measured using the United States Dollar, 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.

All 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.



## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

**2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)****(k) Foreign currencies (Cont'd)***Transactions and balances (Cont'd)*

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:

	<u>2022</u>	<u>2021</u>
	USD	USD
1 Seychelles Rupee	0.0687	0.0660
1 Euro	<u>1.0643</u>	<u>1.1316</u>

**(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.

**2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)****(m) Revenue recognition (Cont'd)**

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*

Other income is recognised on accrual basis.

**(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 Statements of Financial Position.

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
- 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).

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

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

- 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 Statements 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) Intangible assets - Computer software**

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of intangible asset from the date that they are available for use. The estimated useful life is 10

An item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized net within "other income" in the Statement of Profit or Loss.

**(p) 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.

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

**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.

As of 31 December the Group's net exposure to foreign exchange risk was as follows (+/- 5% with all variables constant):

**THE GROUP**

	Seychelles Rupee		Euro	
	2022	2021	2022	2021
	USD'000	USD'000	USD'000	USD'000
Bank balances	91	1,340	34	32
Trade receivables	48	580	-	-
Trade payables	1	22	11	55

**THE COMPANY**

	Seychelles Rupee		Euro	
	2022	2021	2022	2021
	USD'000	USD'000	USD'000	USD'000
Bank balances	91	1,340	34	32
Trade receivables	48	580	-	-
Trade payables	1	22	11	55

**(ii) Interest rate risk**

At December 31, 2022, the Company and Group had no borrowings hence no exposure to interest rates on floating rate (2021: Same).

**(iii) 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.

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

## 3. FINANCIAL RISK MANAGEMENT (CONT'D)

## 3.1 Financial Risk Factors (Cont'd)

## (a) Market risk (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	
	2022	2021
	USD'000	USD'000
Equity instrument at fair value through Other Comprehensive Income	-	0.21

## (b) Credit risk

The Group's and Company's credit risk arises mainly from cash and cash equivalents, financial assets at fair value through profit and loss, financial assets at amortised cost including credit exposures to customers and outstanding receivables.

Credit risk is managed at both Group and Company level. For banks and financial institutions, only independently rated parties are accepted.

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group and Company have no concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group and Company trade only with recognised, creditworthy third parties. The Group and Company have policies in place to ensure that sales of services are made to customers with an appropriate credit history. Advance payments are requested where necessary.

With respect to credit risk arising from the other financial assets of the Group and Company, which comprise cash and cash equivalents, financial assets at fair value through profit and loss and financial assets at amortised cost, the Group's and Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments as presented in the statements of financial position or notes to the financial

The following table shows the maximum exposure to credit risk for the components of the statements of financial position

	THE GROUP AND THE COMPANY	
	2022	2021
	USD	USD
Trade and other receivables (note 11)	29,814,764	23,958,876
Cash and cash equivalents (note 27(b))	81,900,518	35,384,870
Investment in financial assets (note 9(a))	-	4,172
	<u>111,715,282</u>	<u>59,347,918</u>

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

## 3. FINANCIAL RISK MANAGEMENT (CONT'D)

## 3.1 Financial Risk Factors (Cont'd)

## (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
<b>At December 31, 2022</b>				
Gross lease liabilities	214	433	11,757	12,404
Trade and other payables	<u>74,984</u>	<u>-</u>	<u>-</u>	<u>74,984</u>
<b>At December 31, 2021</b>				
Gross lease liabilities	217	433	12,055	12,705
Trade and other payables	<u>45,160</u>	<u>-</u>	<u>-</u>	<u>45,160</u>

## THE COMPANY

	Less than 1 year USD'000	Between 1 & 2 years USD'000	Between 2 & 5 years USD'000	Total USD'000
<b>At December 31, 2022</b>				
Gross lease liabilities	214	433	11,757	12,404
Trade and other payables	<u>74,970</u>	<u>-</u>	<u>-</u>	<u>74,970</u>
<b>At December 31, 2021</b>				
Gross lease liabilities	217	433	12,055	12,705
Trade and other payables	<u>45,147</u>	<u>-</u>	<u>-</u>	<u>45,147</u>

*Capital disclosures*

The Group monitors "adjusted capital" which comprises all components of equity (i.e. Share capital, Non-controlling interest, Retained earnings, and Revaluation and Other reserves).

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



### 3. FINANCIAL RISK MANAGEMENT (CONT'D)

#### 3.1 Financial Risk Factors (Cont'd)

The Group's objectives when managing capital are (Cont'd):

- 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, 2022 and 2021, the Group was debt free.

#### 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 Group 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.

For more detailed information in relation to the fair value measurement, please refer to the applicable notes in the financial statements.

### 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.



**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)****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) Buildings, tanks, pumps and petrol stations**

Buildings, tanks, pumps and petrol stations are carried at fair their value, representing their net replacement value determined by external valuers. For more detailed information in relation to the fair value measurement of the refer to the applicable notes and note 4(e).

**(b) 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.

**(c) 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.

**(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.

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

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.

*(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.

*(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.

**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) *Functional currency***

The Board of Directors have determined the United States Dollar to be the functional and recording currency of the Company.

**(i) *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, 2022

## 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	Cost	Valuation	Cost	Valuation	Cost	Cost	Cost	Cost	
<b>COST OR VALUATION</b>															
At January 1, 2021	10,071,590	237,226,256	1,673,686	34,379,787	279,615,879	5,897,145	1,905,865	570,770,208							
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)							
<b>At December 31, 2021</b>	<b>10,071,590</b>	<b>201,314,279</b>	<b>1,714,760</b>	<b>36,724,157</b>	<b>279,615,879</b>	<b>6,648,295</b>	<b>2,630,522</b>	<b>538,719,482</b>							
Additions	-	-	204,571	2,041,539	-	350,368	-	2,596,478							
Disposals	-	-	(12,926)	(71,942)	-	(87,493)	-	(172,361)							
Profit / (Loss) on revaluation (note 14(a) & 14(b))	3,415,987	-	-	-	(11,250,296)	-	-	(7,834,309)							
Effect of change in functional currency	(2,909,629)	(19,707,174)	(346,961)	(18,673,968)	(89,373,085)	(1,729,549)	(449,436)	(133,189,802)							
Transfers to / (from)	-	-	-	576,849	-	-	-	(576,849)							
<b>At December 31, 2022</b>	<b>10,577,948</b>	<b>181,607,105</b>	<b>1,559,444</b>	<b>20,596,635</b>	<b>178,992,498</b>	<b>5,181,621</b>	<b>1,604,237</b>	<b>400,119,488</b>							
<b>ACCUMULATED DEPRECIATION</b>															
At January 1, 2021	2,282,546	155,699,204	1,212,321	12,566,506	49,890,696	4,891,505	-	226,542,778							
Charge for the year	391,639	5,916,061	59,869	1,012,515	10,000,743	421,951	-	17,802,778							
Disposal adjustment	-	-	(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)							
<b>At December 31, 2021</b>	<b>2,674,185</b>	<b>134,554,519</b>	<b>1,228,320</b>	<b>13,579,021</b>	<b>59,891,439</b>	<b>5,270,411</b>	<b>-</b>	<b>217,197,895</b>							
Charge for the year	361,463	5,006,358	79,422	1,511,247	16,280,453	436,947	-	23,675,890							
Disposal adjustment	-	-	(12,926)	(71,830)	-	(87,493)	-	(172,249)							
Effect of change in functional currency	(477,205)	(5,299,918)	(289,289)	(8,240,687)	(957,443)	(1,504,023)	-	(16,768,565)							
<b>At December 31, 2022</b>	<b>2,558,443</b>	<b>134,260,959</b>	<b>1,005,527</b>	<b>6,777,751</b>	<b>75,214,449</b>	<b>4,115,842</b>	<b>-</b>	<b>223,932,971</b>							
<b>NET BOOK VALUE</b>															
<b>At December 31, 2022</b>	<b>8,019,505</b>	<b>47,346,146</b>	<b>553,917</b>	<b>13,818,884</b>	<b>103,778,049</b>	<b>1,065,779</b>	<b>1,604,237</b>	<b>176,186,517</b>							
At December 31, 2021	7,397,405	66,759,757	486,440	23,145,136	219,724,440	1,377,884	2,630,522	321,521,584							





## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

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

(c) Depreciation have been charged to the Statement of Profit or Loss as follows (note 20):

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	USD	USD	USD	USD
Cost of sales	23,159,521	17,320,958	18,756,907	12,327,448
Administrative expenses	516,369	481,820	516,369	481,820
	<u>23,675,890</u>	<u>17,802,778</u>	<u>19,273,276</u>	<u>12,809,268</u>

(d) The Group's buildings, tanks, pumps and petrol stations were revalued at December 31, 2022 by Ramboll Deutschland GMB, independent valuers, on a net replacement cost basis. The revaluation loss, was debited to revaluation reserve (in Other reserves) 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, 2022.

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

(f) Significant unobservable valuation input

The valuation was based on net replacement cost. A site visit was conducted to determine the fair value. This was based on a qualitative approach and later transferred in a quantitative approach by de-rating the cost, considering wear and tear in the process.

For sensitivity analysis, a Monte Carlo simulation was used with 10.000 iterations.

(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	
	2022	2021	2022	2021
	USD	USD	USD	USD
Cost	44,922,980	41,247,380	11,171,206	10,732,049
Accumulated depreciation	(24,713,048)	(21,664,539)	(8,505,734)	(7,865,514)
Net book value	<u>20,209,932</u>	<u>19,582,841</u>	<u>2,665,472</u>	<u>2,866,535</u>

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

## 6. LEASES

## (a) Right-of-use assets

	<u>THE GROUP AND THE COMPANY</u> USD
At January 1, 2021	2,701,856
Amortisation charge	(385,898)
<b>At December 31, 2021</b>	<b>2,315,958</b>
Amortisation charge (note 20)	(42,218)
Effect of change in functional currency	(56,680)
<b>At December 31, 2022</b>	<b>2,217,060</b>

## (b) Lease liabilities

	<u>THE GROUP AND THE COMPANY</u>	
	<u>2022</u>	<u>2021</u>
	USD	USD
<b>At January 1,</b>	<b>2,374,994</b>	<b>1,622,834</b>
Lease modification adjustment	-	-
Finance cost (note 23)	221,841	229,137
Payments	(222,850)	(232,023)
Exchange difference	-	755,046
<b>At 31 December,</b>	<b>2,373,985</b>	<b>2,374,994</b>
Analysed as:		
- Non current	2,370,786	2,372,053
- Current	3,199	2,941
<b>Total</b>	<b>2,373,985</b>	<b>2,374,994</b>

(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 11.1k (2021: USD 11.5k) higher/(lower).

## 7. INTANGIBLE ASSETS

	<u>THE GROUP AND THE COMPANY</u>	
	<u>2022</u>	<u>2021</u>
	USD	USD
<b>COST</b>		
At January 1,	2,255,388	2,255,388
Effect of change in functional currency	(9,531)	-
Additions	375,197	-
<b>At December 31,</b>	<b>2,621,054</b>	<b>2,255,388</b>

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

## 7. INTANGIBLE ASSETS (CONT'D)

	THE GROUP AND THE COMPANY	
	2022	2021
	USD	USD
<b>AMORTISATION</b>		
At January 1,	883,664	721,502
Effect of change in functional currency	(12,231)	-
Charge for the year	223,219	162,162
At December 31,	1,094,652	883,664
<b>NET BOOK VALUE</b>		
At December 31,	1,526,402	1,371,724

## 8. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2022	2021
	USD	USD
Cost - Unquoted (note 8(a))	14,856	14,856
Loans receivable (notes 8(b) & 8(c))	60,486,679	70,937,567
Effect of change in functional currency (note 8(a))	(9,912)	-
	60,491,623	70,952,423

(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*

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

## 8. INVESTMENT IN SUBSIDIARIES (CONT'D)

(d) Summarised financial information in respect of the Group's subsidiaries (Cont'd).

December 31, 2022

	Seychelles Pioneer Limited USD'000	Seychelles Progress Limited USD'000	Seychelles Patriot Limited USD'000	Seychelles Prelude Limited USD'000
Non-current assets	6,451	6,791	13,643	13,212
Non-current liabilities	8,316	9,665	22,547	19,702
Current liabilities	5	3	3	3
Revenue	1,365	1,365	1,663	1,663
Profit for the year and total comprehensive income	<u>534</u>	<u>497</u>	<u>354</u>	<u>373</u>

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	<u>384</u>	<u>346</u>	<u>139</u>	<u>163</u>

*Summarised cash flow information*December 31, 2022

	Seychelles Pioneer Limited USD'000	Seychelles Progress Limited USD'000	Seychelles Patriot Limited USD'000	Seychelles Prelude Limited USD'000
Operating activities	1,392	1,390	1,688	1,690
Financing activities	(1,392)	(1,390)	(1,688)	(1,690)
Net change in cash and cash equivalents	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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 equivalents	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

## 8. INVESTMENT IN SUBSIDIARIES (CONT'D)

## (e) Impairment

Taking into account the environment in which the subsidiaries operate, the Directors of the Group considered that the investments are not impaired and therefore impairment has been estimated as nil (2021: nil).

## 9. INVESTMENT IN FINANCIAL ASSETS

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

	THE GROUP AND THE COMPANY	
	2022	2021
	USD	USD
At January 1,	4,172	2,881
Net increase in fair value (note 14)	-	1,291
Decrease in fair value (note 14)	(4,172)	-
At December 31,	-	4,172

- (i) The above quoted equity instruments at fair value through other comprehensive income comprised 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.

(b) Investments at amortised cost

	THE GROUP AND THE COMPANY	
	2022	2021
	USD	USD
At January 1,	-	6,788,401
Matured	-	(10,105,954)
Accrued interest	-	276,804
Exchange gain	-	3,040,749
At December 31,	-	-

- (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.



## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

## 10. INVENTORIES

	THE GROUP AND THE COMPANY	
	2022	2021
	USD	USD
Petroleum products	31,712,323	17,121,829
Lubricants	681,226	624,234
Others	2,019,319	1,624,975
	<u>34,412,868</u>	<u>19,371,038</u>

- (a) The cost of inventories recognised as an expense and included in cost of sales amounted to USD 348,265,153 (2021: USD 201,358,335) for the Group and USD 354,320,653 (2021: 207,464,603) for the Company (note 20).

## 11. TRADE AND OTHER RECEIVABLES

	THE GROUP AND THE COMPANY	
	2022	2021
	USD	USD
Trade receivables	32,748,188	28,212,423
Less: provision for impairment (notes 11(c) & 11(d))	(4,247,061)	(4,573,663)
	<u>28,501,127</u>	<u>23,638,760</u>
Prepayments	4,475,076	10,597,633
Others	1,313,637	320,116
Tax receivable (note 18)	55,434	642,997
	<u>34,345,274</u>	<u>35,199,506</u>

- (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.
- (c) Credit Loss Allowances

The average credit period on trade receivables is 14 - 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. No forward looking information has been incorporated in the model since Management is of the opinion that historic economic factors are not significantly different to recoverability period which is within a year.

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.

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

## 11. TRADE AND OTHER RECEIVABLES (CONT'D)

## (c) Credit Loss Allowances (Cont'd)

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, 2022

	Trade Receivables-days past due				Total
	0-30 days	31-60 days	61-90 days	>90 days	
Gross carrying amount - International	16,970,098	51,232	277,814	807,373	18,106,517
Gross carrying amount - Local	11,907,829	8,571	-	2,725,271	14,641,671
Total gross carrying amount	28,877,927	59,803	277,814	3,532,644	32,748,188
Expected credit loss rate (%)	2.18%	6.47%	31.83%	99.79%	
Total lifetime ECL (note 11(d))	629,539	3,869	88,428	3,525,225	4,247,061

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	
Gross carrying amount - International	14,128,347	757,788	644,166	1,084,622	16,614,923
Gross carrying amount - Local	8,179,797	-	-	3,417,703	11,597,500
Total egress carrying amount	22,308,144	757,788	644,166	4,502,325	28,212,423
Expected credit loss rate (%)	2.08%	6.06%	30.69%	85.87%	
Total lifetime ECL (note 11(d))	463,768	45,959	197,671	3,866,265	4,573,663

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

## 11. TRADE AND OTHER RECEIVABLES (CONT'D)

## (d) Movement in allowance for credit loss

	THE GROUP AND THE COMPANY	
	2022	2021
	USD	USD
At January 1,	4,573,663	2,728,947
(Credit) / Charge for the year	(318,439)	629,482
Exchange differences	(8,163)	1,215,234
At December 31, (note 11(c))	4,247,061	4,573,663

*Sensitivity analysis*

If the ECL rates on trade receivables above 90 days past due had been 5% higher/(lower) as of December 2022, the loss allowance would have been USD 176.3k (2021: USD 193.3k)

- (e) Others include short term staff loans which are offset against their monthly salaries and other receivables for which the 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.

## 12. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

	THE GROUP AND THE COMPANY	
	2022	2021
	USD	USD
At January 1,	4,610,484	-
Effect of change in functional currency	(2,176,724)	-
Disposal adjustment	(2,433,760)	-
Reclassification (note 5(a) & (b) & 11(a))	-	4,610,484
At December 31,	-	4,610,484

- (a) At the Board of December 9, 2021, the Directors resolved to sell the Company's Tanker, 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. The Tanker was subsequently sold during 2022.

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

## 13. SHARE CAPITAL

	THE GROUP AND THE COMPANY	
	2022	2021
	USD	USD
<i>Ordinary shares, issued and fully paid</i>		
At January 1,	8,595,053	8,595,053
Exchange differences	(5,295,834)	-
At December 31,	<u>3,299,219</u>	<u>8,595,053</u>

The total authorised number of ordinary shares is 2,000 shares (2021: 2,000 shares) with a par value of SR 25,000 per share. All issued shares are fully paid.

## 14. 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	USD	USD	
At January 1, 2021	(90,216,905)	306,817,885	(1,866)		216,599,114		
Increase in fair value of equity instruments at fair value through other comprehensive income (note 9(a))	-	-	1,291		1,291		
Exchange differences	37,928,752	-	-		37,928,752		
At December 31, 2021	<u>(52,288,153)</u>	<u>306,817,885</u>	<u>(575)</u>		<u>254,529,157</u>		
Effect of change in functional currency	51,810,626	(75,189,717)	575		(23,378,516)		
Loss on revaluation (notes 5(a) & 5(b))	-	(7,834,309)	-		(7,834,309)		
Decrease in fair value and reversal of reserve (note 9)	-	-	(4,172)		(4,172)		
At December 31, 2022	<u>(477,527)</u>	<u>223,793,859</u>	<u>(4,172)</u>		<u>223,312,160</u>		

SEYCHELLES PETROLEUM COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

14. OTHER RESERVES (CONT'D)

(a) 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, 2021	(88,355,701)	306,817,885	(1,866)	218,460,318
Increase in fair value of equity instruments at fair value through other comprehensive income (note 9(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
Effect of change in presentation currency	53,253,424	(75,189,717)	575	(21,935,718)
Loss on revaluation (notes 5(a) & 5(b))	-	(7,834,309)	-	(7,834,309)
Decrease in fair value and reversal of reserve	-	-	(4,172)	(4,172)
At December 31, 2022	-	223,793,859	(4,172)	223,789,687



## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

## 15. DEFERRED TAXES

- (a) Deferred taxes are calculated on all temporary differences under the liability method at 25% (2021: 25%) for the Group and 25% (2021: 25%) for the Company at December 31, 2022.

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	
	2022	2021
	USD	USD
Deferred tax assets (note 15(c)(i))	(1,634,412)	(12,204,855)
Deferred tax liabilities (note 15(c)(ii))	6,816,900	19,873,868
	<u>5,182,488</u>	<u>7,669,013</u>

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

	THE GROUP AND THE COMPANY	
	2022	2021
	USD	USD
At January 1,	7,669,013	24,645,625
Credit for the year	(2,486,525)	(28,026,657)
Exchange differences	-	11,050,045
At December 31,	<u>5,182,488</u>	<u>7,669,013</u>

*Credit for the year is analysed as follows:*

Statement of Profit or Loss (note 18(b))	<u>(2,486,525)</u>	<u>(28,026,657)</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.

- (i) *Deferred tax assets*

	THE GROUP AND THE COMPANY			
	All provisions	Unrealised exchange losses	Lease liabilities	Total
	USD	USD	USD	USD
At January 1, 2021	(1,146,969)	-	323,707	(823,262)
Charge / (Credit) for the year	95,140	(10,637,800)	(469,817)	(11,012,477)
Exchange differences	(514,252)	-	145,136	(369,116)
At December 31, 2021	<u>(1,566,081)</u>	<u>(10,637,800)</u>	<u>(974)</u>	<u>(12,204,855)</u>
(Credit) / Charge for the year	<u>(30,699)</u>	<u>10,637,800</u>	<u>(36,658)</u>	<u>10,570,443</u>
At December 31, 2022	<u>(1,596,780)</u>	<u>-</u>	<u>(37,632)</u>	<u>(1,634,412)</u>

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

## 15. DEFERRED TAXES (CONT'D)

(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, 2021	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)
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
Credit / (Charge) for the year	(3,602,364)	1,249,865	(10,704,469)	(13,056,968)
At December 31, 2022	5,567,035	1,249,865	-	6,816,900

## 16. LENGTH OF SERVICE PROVISION

This comprise allowances payable under the Seychelles Employment Act. The movement is as follows:

	THE GROUP AND THE COMPANY	
	2022	2021
	USD	USD
At January 1,	1,690,661	1,094,282
Charge to the Statement of Profit or Loss (note 25)	992,905	261,155
Payment during the year	(543,508)	(155,406)
Exchange differences	-	490,630
At December 31,	2,140,058	1,690,661

## 17. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	USD	USD	USD	USD
Trade payables	65,959,312	36,316,187	65,959,312	36,316,187
Accrued expenses	8,182,842	7,277,913	8,182,842	7,277,913
Other payables	841,853	1,566,001	828,124	1,552,535
	74,984,007	45,160,101	74,970,278	45,146,635

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

## 17. TRADE AND OTHER PAYABLES (CONT'D)

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

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	USD	USD	USD	USD
US Dollars	61,727,739	29,641,181	61,727,739	29,641,181
Euro	3,318,208	5,649,221	3,304,742	5,635,755
Seychelles Rupee	9,449,632	9,530,539	9,449,632	9,530,539
Others	488,428	339,160	488,165	339,160
	<b>74,984,007</b>	<b>45,160,101</b>	<b>74,970,278</b>	<b>45,146,635</b>

## 18. TAX EXPENSE

(a) *Statement of Financial Position*

	THE GROUP AND THE COMPANY	
	2022	2021
	USD	USD
At January 1,	(642,997)	3,903,492
Paid during the year	(4,471,926)	(10,450,064)
Charge for the year (note 18(b))	5,059,489	5,903,575
At December 31,	<b>(55,434)</b>	<b>(642,997)</b>
<i>Disclosed under:</i>		
Trade and other receivables (note 11)	<b>(55,434)</b>	<b>(642,997)</b>

(b) *Statement of Profit or Loss*

	THE GROUP AND THE COMPANY	
	2022	2021
	USD	USD
Current tax on the adjusted profit for the year at applicable tax rates (note 18(c))	5,059,489	5,903,575
Deferred tax credit (note 15(b))	(2,486,525)	(28,026,657)
Taxation charge / (credit)	<b>2,572,964</b>	<b>(22,123,082)</b>

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

## 18. TAX EXPENSE (CONT'D)

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

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	USD	USD	USD	USD
Profit / (Loss) before taxation	<u>24,969,607</u>	<u>(33,915,627)</u>	<u>23,212,606</u>	<u>(34,947,960)</u>
Tax calculated at applicable tax rates (note 18(d))	12,483,943	12,483,943	13,024,152	13,024,152
Net expenses not deductible for tax purposes	(11,489,534)	(9,865,158)	(12,029,743)	(10,405,367)
Excess of depreciation over capital allowance	4,065,080	3,284,790	4,065,080	3,284,790
	<u>5,059,489</u>	<u>5,903,575</u>	<u>5,059,489</u>	<u>5,903,575</u>

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

Taxable income	Tax rates - %	
	2022	2021
≤ SR. 1,000,000	15%	25%
> SR. 1,000,000	25%	30%

## 19. REVENUE

	THE GROUP AND THE COMPANY	
	2022	2021
	USD	USD
Sales of products	431,068,696	277,159,473
Sales of services	54,213,425	30,840,930
	<u>485,282,121</u>	<u>308,000,403</u>

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

## 20. EXPENSES BY NATURE

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	USD	USD	USD	USD
Cost of inventories recognised as expense (note 10(a))	348,265,153	201,358,335	354,320,653	207,464,603
Depreciation (note 5(c))	23,675,890	17,802,778	19,273,276	12,809,268
Amortisation of right-of-use assets (note 6(a))	42,218	385,898	42,218	385,898
Amortisation of software (note 7)	223,219	162,162	223,219	162,162
Duties and taxes	49,469,632	36,737,489	49,469,632	36,737,489
Bareboat charter fees	6,046,152	5,952,489	6,046,152	5,952,489
Bunkering costs	10,296,433	12,500,324	10,296,433	12,500,324
Ship running expenses	17,199,222	14,733,513	17,199,222	14,733,513
Port agency costs	4,547,786	10,754,299	4,547,786	10,754,299
Brokers commission	2,838,871	1,723,645	2,838,871	1,723,645
Employee benefit expense (note 25)	5,497,560	3,947,451	5,497,560	3,947,451
Other expenses	6,802,151	4,606,660	6,761,080	4,526,235
<b>Total expenses</b>	<b>474,904,287</b>	<b>310,665,043</b>	<b>476,516,102</b>	<b>311,697,376</b>

## (a) Analysed as:

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	USD	USD	USD	USD
Cost of sales	461,864,988	299,743,305	463,517,874	300,856,063
Selling and marketing expenses	30,556	32,201	30,556	32,201
Administrative expenses	13,008,743	10,889,537	12,967,672	10,809,112
<b>Total</b>	<b>474,904,287</b>	<b>310,665,043</b>	<b>476,516,102</b>	<b>311,697,376</b>

## 21. OTHER INCOME

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	USD	USD	USD	USD
Demurrage claims	1,625,921	3,526,764	1,625,921	3,526,764
Storage and throughput	2,724,284	2,326,876	2,724,284	2,326,876
Deviations and other recoveries	3,352,705	1,747,975	3,352,705	1,747,975
Rental income (note 24)	350,745	214,456	350,745	214,456
Gain on disposal of property and equipment (note 24)	3,460,481	26,723	3,460,481	26,723
Sundry income	238,920	82,229	93,734	82,229
<b>Total</b>	<b>11,753,056</b>	<b>7,925,023</b>	<b>11,607,870</b>	<b>7,925,023</b>



## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

## 22. OTHER LOSSES - NET

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	USD	USD	USD	USD
Net foreign exchange gains / (losses) on operations	<b>2,732,689</b>	<b>(38,606,943)</b>	<b>2,732,689</b>	<b>(38,606,943)</b>

The net foreign exchange mainly arose from the conversion of Euro denominated receivables from the four Subsidiaries to USD.

## 23. NET FINANCE (EXPENSE) / INCOME

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	USD	USD	USD	USD
Interest income	9,430	289,552	9,430	289,552
Finance costs on lease liabilities (note 6(b))	(221,841)	(229,137)	(221,841)	(229,137)
<b>Net finance income</b>	<b>(212,411)</b>	<b>60,415</b>	<b>(212,411)</b>	<b>60,415</b>

## 24. PROFIT / (LOSS) FOR THE YEAR

Profit / (Loss) is arrived at after:

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	USD	USD	USD	USD
<i>Crediting:</i>				
Rental income (note 21)	350,745	214,456	350,745	214,456
Gain on disposal of equipment (note 21)	3,460,481	26,723	3,460,481	26,723
<i>and Charging:</i>				
Depreciation charge on property plant and equipment (note 5(c))	23,675,890	17,964,940	19,273,276	12,971,430
Amortisation of right-of-use assets (note 6(a))	42,218	385,898	42,218	385,898
Amortisation - software (note 7)	223,219	162,162	223,219	162,162
(Reversal) / Charge for credit impairment (note 11(d))	(318,439)	629,482	(318,439)	629,482
Finance cost on lease liabilities (note 6(b))	221,841	229,137	221,841	229,137
Directors' remuneration (note 24(a))	119,754	103,025	119,754	103,025
Audit fees	36,630	27,354	26,500	22,490
Employee benefit expense (note 25)	5,497,560	3,947,451	5,497,560	3,947,451

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

## 24. PROFIT / (LOSS) BEFORE TAXATION (CONT'D)

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

	THE GROUP AND THE COMPANY	
	2022	2021
	USD	USD
V Laporte	2,664	3,561
E Belle	-	1,007
S Gendron	3,996	5,342
S Patel	1,067	3,561
S Romain	-	1,510
M Nalletamby	2,664	3,561
Y Vel	4,285	3,561
C Benoiton	91,300	80,922
J Morel	2,431	-
B Commettant	1,621	-
P Joseph	1,621	-
M Saley	1,621	-
T Imaduwa	1,621	-
N Elizabeth	1,621	-
MM Jeremie	1,621	-
M Hoareau	1,621	-
	<u>119,754</u>	<u>103,025</u>

## 25. EMPLOYEE BENEFIT EXPENSES

	THE GROUP AND THE COMPANY	
	2022	2021
	USD	USD
Salaries and wages	4,317,386	3,584,717
Pension contribution	187,269	101,579
Length of service (note 16)	992,905	261,155
	<u>5,497,560</u>	<u>3,947,451</u>

## 26. 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	
	2022	2021
	USD'000	USD'000
Property, plant and equipment	<u>1,681</u>	<u>1,447</u>

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

## 27. NOTES TO THE CASH FLOW STATEMENTS

## (a) Cash generated from operations

	Notes	THE GROUP		THE COMPANY	
		2022 USD	2021 USD	2022 USD	2021 USD
Profit / (Loss) before taxation	Page 5	24,969,607	(33,915,627)	23,212,606	(34,947,960)
<i>Adjustments for:</i>					
Depreciation on property, plant and equipment	5	23,675,890	17,964,940	19,273,276	12,971,430
Assets written off	5	-	-	-	-
Amortisation of right-of-use assets	6(a)	42,218	385,898	42,218	385,898
Accrued interest on Investment in financial assets	9(b)	-	(276,804)	-	(276,804)
Provision for credit impairment	11(d)	(318,439)	629,482	(318,439)	629,482
Profit on disposal of equipment	21	(3,460,481)	(26,723)	(3,460,481)	(26,723)
Finance income	23	(9,430)	(289,552)	(9,430)	(289,552)
Finance costs	23	221,841	229,137	221,841	229,137
Retirement benefit obligation charge	16	992,905	261,155	992,905	261,155
		46,114,111	(15,038,094)	39,954,496	(21,063,937)
<i>Changes in working capital</i>					
- Increase in inventories		(15,041,830)	(7,271,394)	(15,041,830)	(7,271,394)
- Decrease / (Increase) in trade and other receivables		593,271	(16,922,400)	593,271	(16,922,400)
- Increase in trade and other payables		29,823,906	22,137,813	29,823,643	22,138,974
<b>Cash generated from / (used in) operations</b>		<b>61,489,458</b>	<b>(17,094,075)</b>	<b>55,329,580</b>	<b>(23,118,757)</b>

## (b) Cash and cash equivalents

	THE GROUP AND THE COMPANY	
	2022 USD	2021 USD
Cash in hand	2,592	3,246
Cash at bank	81,897,926	35,381,624
	<b>81,900,518</b>	<b>35,384,870</b>

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

## 28. RELATED PARTY TRANSACTIONS

## THE GROUP

	Subsidiary companies		Other related corporations		Directors	
	2022	2021	2022	2021	2022	2021
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Amount due to	-	-	43	43	-	-
Amount due from	60,487	70,938	595	5,369	-	-
Investment in	15	15	-	-	-	-
Remuneration	-	-	-	-	342	274
Bareboat charter fees	6,046	6,106	-	-	-	-
Technical management fees	-	-	-	-	-	-
Purchases of goods and services	-	-	1,349	770	-	-
Sales	-	-	76,896	57,319	-	-

## THE COMPANY

	Subsidiary companies		Other related corporations		Directors	
	2022	2021	2022	2021	2022	2021
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Amount due to	-	-	43	43	-	-
Amount due from	60,487	70,938	595	5,369	-	-
Investment in	15	15	-	-	-	-
Remuneration	-	-	-	-	342	274
Bareboat charter fees	6,046	6,106	-	-	-	-
Technical management fees	-	-	-	-	-	-
Purchases of goods and services	-	-	1,349	770	-	-
Sales	-	-	76,896	57,319	-	-

(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 and subsidiaries 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 11(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, 2022

## 28. 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	
	2022	2021
	USD	USD
Salaries & other benefits	287,476	268,478
Contract termination benefits	39,968	-
Pension costs	14,552	5,679
	<u>341,996</u>	<u>274,157</u>

## 29. DIVIDENDS

The Directors proposed and paid a dividend of USD 8,588 per share amounting to USD 17.2m during year under review (2021: Dividends proposed and paid USD 16.5m (USD 8,248 per share)).

## (a) PROPOSED AND PAID

	THE GROUP AND THE COMPANY	
	2022	2021
	USD	USD
Dividend proposed	17,175,000	16,496,097
Paid during the year	(17,175,000)	(16,496,097)
At December 31,	-	-

## 30. FIVE YEAR FINANCIAL SUMMARY

## (a) THE GROUP

	2022	2021	2020	2019	2018
	USD'000	USD'000	USD'000	USD'000	USD'000
(Loss) / Profit for the year	22,397	(11,792)	35,439	16,906	6,298
Effect of change in functional currency	(85,686)	(1,059)	(543)	477	2,466
Retained earnings brought forward / restated	99,760	129,107	104,678	101,355	99,552
Reclassification	-	-	-	-	3,600
Profit available for distribution	36,471	116,256	139,574	118,738	111,916
Dividends	(17,175)	(16,496)	(10,467)	(14,060)	(10,561)
Retained earnings carried forward	<u>19,296</u>	<u>99,760</u>	<u>129,107</u>	<u>104,678</u>	<u>101,355</u>
<b>Capital &amp; reserves</b>					
Share capital	3,299	8,595	8,595	8,595	8,595
Other reserves	223,313	254,529	216,599	268,304	268,304
Retained earnings	19,296	99,760	129,107	104,678	101,355
Owners' interest	245,908	362,884	354,301	381,577	378,254
Non-controlling interest	-	-	-	-	-
Total equity	<u>245,908</u>	<u>362,884</u>	<u>354,301</u>	<u>381,577</u>	<u>378,254</u>



## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

## 30. FIVE YEAR FINANCIAL SUMMARY (CONT'D)

## (b) THE COMPANY

	2022	2021	2020	2019	2018
	USD'000	USD'000	USD'000	USD'000	USD'000
Profit / (Loss) for the year	20,639	(12,825)	34,054	15,665	5,243
Effect of change in functional currency	(88,562)	-	-	-	-
Retained earnings brought forward	124,326	153,647	130,060	128,455	130,173
Reclassification	-	-	-	-	3,600
Profit available for distribution	56,403	140,822	164,114	144,120	139,016
Dividends	(17,175)	(16,496)	(10,467)	(14,060)	(10,561)
Retained earnings carried forward	<u>39,228</u>	<u>124,326</u>	<u>153,647</u>	<u>130,060</u>	<u>128,455</u>
<b>Capital &amp; reserves</b>					
Share capital	3,299	8,595	8,595	8,595	8,595
Other reserves	223,790	253,563	218,460	268,118	268,301
Retained earnings	39,228	124,326	153,647	130,060	128,455
Total equity	<u>266,317</u>	<u>386,484</u>	<u>380,702</u>	<u>406,773</u>	<u>405,351</u>